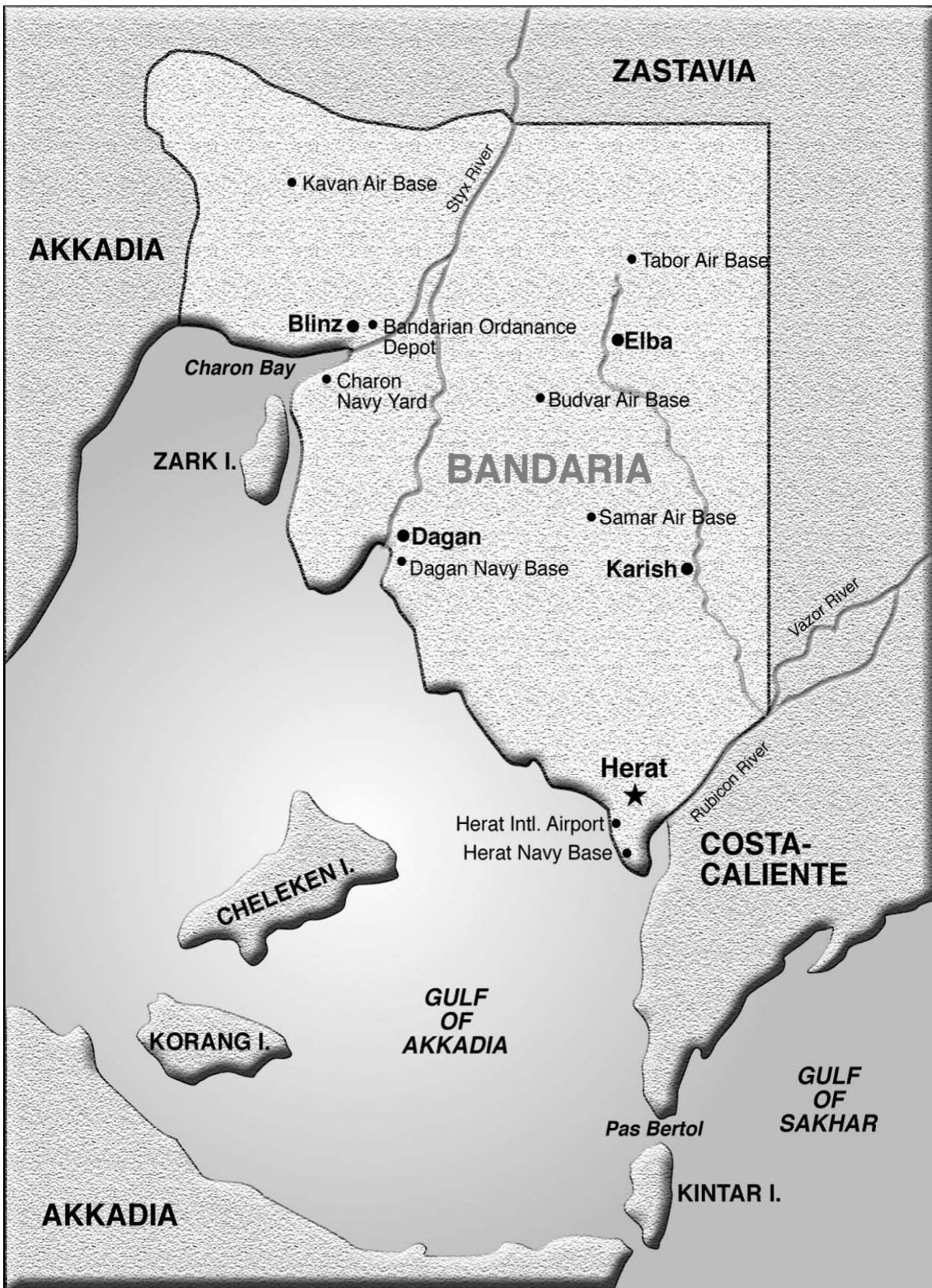


APPENDIX 1
CASE DOCUMENT PACKAGE

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Country: Bandaria
U.S. Service: USAF
System: HUM-120A Humdinger Missiles (MASID Missile Corporation)
Case Designator: BN-D-YCY

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**MEMORANDUM OF UNDERSTANDING
BETWEEN THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND THE MINISTRY OF DEFENSE OF THE
REPUBLIC OF BANDARIA
CONCERNING THE CO-PRODUCTION OF THE
HUMDINGER MISSILE LAUNCHER (LAU HUM-
129A/A) IN BANDARIA**

1. Introduction

The Ministry of Defense of the Republic of Bandaria (MoD) and the Department of Defense of the United States of America (DoD), after analysis and review of the defense needs of the MoD, agree to the terms, conditions, and provisions set forth below relative to the co production of the Humdinger Missile Launcher [HML] (LAU HUM-129A/A).

2. Scope of the Program

2.1 The purpose of this program is to assist the MoD in fielding and supporting the Humdinger Missile system in response to its defense needs. The missiles, support equipment, and an initial set of launchers will be purchased by the MoD from DoD through a foreign military sales (FMS) case.

2.2 The MoD is further authorized to co-produce up to an additional 112 Humdinger Missile Launchers for its own defense needs. Any production in excess of this quantity or sales from this production to other parties would require prior written approval of the DoD.

2.3 The HML program will consist of two phases. During Phase I, DoD will deliver all relevant technical data packages (TDP), and provide technical advice to the MoD concerning co-production. Phase II will consist of the actual production of the launchers, with continuing technical advice and program monitoring provided by DoD as well as the concurrent delivery, initial training, and fielding of a quantity to HMLs purchased through FMS.

2.4 The TDPs and the assistance by DoD personnel will be sold through FMS channels. MoD may, if approved by the U.S. government, also acquire additional technical advice and support from U.S. defense firms.

3. Logistics Support

Logistical support of the HML may be accomplished by MoD either through FMS channels or, subject to the U.S. government's approval, through U.S. commercial firms. No authorization to produce spares for the HML is conveyed by this Memorandum of Understanding (MOU).

4. Export Channels

4.1 Unclassified technical data will either be turned over directly to the MoD officials by the Humdinger Systems Program Office (SPO) or shipped to MoD's designated freight forwarder. The Office of the Bandarian Defense Attaché (Bandarian Embassy in Washington) will, after being informed of the impending shipment, designate which method to be used and inform the FMS office at the SPO.

4.2 It is anticipated that this program may involve the transfer of classified military information. If it is authorized for release, such information will be delivered in person to Office of the Bandarian Defense Attaché in Washington.

4.3 Since it is anticipated that all technical data and material will be transferred through FMS channels, U. S. export licenses will not be required. Authorizations to ship material sold through FMS (Department of State Form DSP-94) will be obtained by MoD's freight forwarders. DoD agrees to assist and advise MoD or its freight forwarders in obtaining these authorizations, if necessary.

4.4 The acquisition of export licenses for commercially exported material or technical information associated with this program is the responsibility of the commercial firm and the MoD.

4.5 For the transmission of technical information to DoD from the government of Bandaria, MoD may either deliver it to SAO Bandaria or to the Humdinger SPO.

5. Authorization for Use of Technical Data

5.1 Technical data are provided for the manufacture of 112 Humdinger Missile Launchers in Bandaria for indigenous purposes only. Such manufacture may be accomplished either by the Government of Bandaria in its own government-owned or government-operated facilities or in designated in-country private commercial facilities.

5.2 Any manufacture in excess of this quantity for indigenous defense purposes will require separate approval of the U.S. government and the execution of an Letter of Offer and Acceptance (LOA) amendment which also provides for payment of additional charges.

5.3 The information furnished under this MOU and its associated LOA, and the product derived from the use of such information, shall not be disclosed or transferred to any third country, person, or organization without the prior written consent of the U.S. government.

5.4 The use of technical data which will be provided under this MOU and its associated LOA(s) will be limited to that required for the manufacture of the equipment specifically authorized herein and its operation and maintenance. Information which has been acquired by the U.S. government without the unencumbered right to use and convey to others will not be furnished.

5.5 It is understood that the furnishing of these technical data does not in any way constitute a license to make, use, sell, or transfer whatsoever any inventions, technical information, or know-how (hereinafter referred to as proprietary information) owned by third parties which may be described in the documentation.

5.6 The U.S. government incurs no liability for any procurement, manufacture, use, or sale by the Government of Bandaria which makes use of any of the aforementioned proprietary information, or for any results derived from the use of the technical data furnished. The Government of Bandaria agrees to indemnify the U.S. government against any liability resulting from a claim asserted by the owner of any such proprietary rights in connection with such use by the Government of Bandaria of the documentation provided hereunder.

5.7 The U.S. government will use its best efforts to furnish technical data that are accurate, adequate for the authorized purpose, current, and complete; however, the U.S. government does not guarantee the adequacy, accuracy, currency, or completeness of this data. Similarly, the U.S. government does not guarantee the accuracy, adequacy, currency, or completeness of any U.S. industry documentation.

5.8 The cost of the documentation provided hereunder does not include periodic updating (revisioning service), which may be requested under a separate LOA or amendment, if desired.

5.9 If the MoD requires the use of U.S. industry-owned proprietary information to complete this program, the rights to use such data must be obtained directly from the commercial firm.

6. Flowback of Bandarian Technical Information to the U.S.

6.1 MoD will furnish or cause to be furnished the following technical data to the U.S. government at no cost to the U.S. government other than the cost of reproduction, preparation, and handling:

6.1.1 All technical data pertaining to changes, modifications, and improvements in the design of the HML made in the course of development, evaluation, production, operation, and maintenance of the HML.

6.1.2 All technical data pertaining to manufacturing processes employed in the production of the HML.

6.1.3 Technical data pertaining to changes proposed in the design of the HML but not adopted.

6.1.4 Notwithstanding 6.1.1, 6.1.2 and 6.1.3 above, if MoD incorporates an existing commercial item without modification of either the item or the HML and if: (i) the item is not based in whole or in part on U.S. technical data or on U.S. design; and (ii) the item is not in whole or in part funded or financed by MoD directly or indirectly; and (iii) there is no development contract or subcontract between MoD and the supplier, then MoD will only be required, to the extent that it has the right to do so without incurring liability to others, to provide the U.S. government sufficient information for the U.S. government to evaluate the item, to procure it, to incorporate it into the system, and to operate, maintain, repair, overhaul, and modify it.

6.2 Bandaria will grant or cause to be granted to the U.S. government a non-exclusive, irrevocable, royalty-free license to use and have used for U.S. defense purposes, including security assistance, the technical data defined in 6.1.1, 6.1.2 and 6.1.3 above and any inventions (whether or not patentable) made in the course of activities covered by this MOU. Additionally, Bandaria will use its best efforts to obtain licenses on fair and reasonable terms to the U.S. government to use and have used the technical data defined in subparagraph 6.1 and patented inventions depicted in such technical data for U.S. defense purposes, including security assistance.

6.3 Bandaria will include suitable provisions in all pertinent program contracts, including a requirement to include those same provisions in all subcontracts, to meet the requirements of this section.

7. Management

7.1 The Humdinger SPO, located at Wright-Patterson Air Force Base, Ohio, is designated the U.S. project office for this program. The director of this SPO will designate in writing a specific individual to manage the program. This designation will be made known to the MoD. Costs associated with the management of this program will be paid by MoD through the FMS case.

7.2 The MoD has designated its Military Technology Agency (Hui'pa Namdema) as its project office for this program. The overall project director will be designated in writing and made known to the DoD.

7.3 The Security Assistance Organization (SAO), U.S. Embassy, Herat, Bandaria, is designated as the in-country project office for the U.S. government. A specific person in that

organization will be designated to perform program management functions. This person will monitor the program and be the direct link between MoD and DoD in matters relating to this MOU.

7.4 The Assistant Air Attaché in the Embassy of Bandaria in Washington will also monitor this program and assist where necessary.

8. Standardization and Configuration Management

8.1 The parties intend that the HML produced in Bandaria will be physically and functionally interchangeable and interoperable with the U.S. version. The DoD, as baseline configuration manager, has approval authority for all changes to or deviation from the configuration baseline that affect physical or functional interchangeability or quality of the launcher.

8.2 MoD shall submit engineering changes, deviations, and critical waivers of the HML to the Humdinger SPO in writing. Such submissions will be considered based on their merit and approved, if warranted.

9. Security

9.1 The parties take note of the existence of the General Agreement on the Security of Classified Military Information Agreement 3 June 1996 between the governments of the Republic of Bandaria and the United States of America. The provisions of this agreement shall apply fully to this project.

9.2 The Government of Bandaria agrees to provide periodic reporting of quantities of defense items produced under this MOU and will permit DoD personnel access to government and contractor facilities, storage sites, and those records necessary to verify production quantities, as well as control of technical data and other implementation requirements of this MOU. Such access, if requested, will be permitted when mutually convenient, but within a reasonable period of time after the request. Visits will be accomplished under established visit procedures.

9.3 Other security provisions relating to this project are located elsewhere in this MOU and its associated LOA.

10. Customs, Duties and Taxes

10.1 The Government of Bandaria, to the extent provided by its laws, waives import duty and taxes on all goods and services imported under the terms of this MOU. U.S. contractors shipping material by commercial means should contact the Bandarian Embassy to secure a duty free import certificate.

10.2 The U.S. Government, upon application for a temporary import/export license, will grant duty free importation privileges to equipment owned by the Government of Bandaria, if required by this project. Import license requests should cite the appropriate FMS case.

11. Administrative Provisions

11.1 This MOU will become effective on the date of the last signature and will remain in effect for fifteen years unless terminated or extended prior to that time. It can be changed, amended, terminated or extended at any time by mutual agreement of the two parties.

11.2 The responsibilities of the participants regarding the use, safeguarding transfer and sale or disclosure to third parties of information, articles and services developed,

provided or transferred pursuant to this MOU and its associated LOA(s) will remain in effect after the MOU's expiration, withdrawal, or termination, as if there had been no expiration, withdrawal, or termination.

11.3 Benefits to the DoD pursuant to the provisions of Section 6 of this MOU will continue to have their full effect after its expiration, withdraw or termination.

11.4 This MOU is official in the English language only. Parties may translate into other languages, but resolution of conflicts shall be made on the basis of its English version only.

12. Financial Matters

12.1 The MoD will pay the DoD the full cost of defense articles and services furnished by the DoD under FMS procedures.

12.2 The MoD will fund DoD management efforts in support of the HML co-production program.

For the Department of Defense for the
Government of the United States of America

For the Ministry of Defense for the
Government of the Republic of Bandaria

Signature

Signature

Title

Title

1 October 1997

6 October 1997

Date

Date

Annex to the National Disclosure Policy [Notional]					
		Bandaria	Costa Caliente	Callente	Akkadia
Organization, Training, and Employment of Military Forces	1	S		C	
Military Materiel and Munitions	2	C	C		
Applied Research and Development Information and Materiel	3		C		
Production Information	4				
Combined Military Operations, Planning and Readiness	5				
U.S. Order of Battle	6	S		C	
North American Defense	7				
Military Intelligence	8	X	S	S	

Legend

S = Secret

C = Confidential

X = "X" is a form of limited access authority. It is exercised when it is beneficial to the U.S. government to disclose to Bandaria certain military intelligence/information, Potentially up through Secret, on a country (such as Bandaria), designated with an "X" in the NDP Annex and on international terrorism activity in that country which might cause a problem in that country. A case-by-case determination must still be made for each situation and the level of disclosure may be lower than Secret. (See unclassified definition in NDP-1.)

**Ministère De La Défence
20 Boulevard John F. Kennedy
Herat, Bandaria**

14 Mai 2004

Ambassade des Etats-Unis d'Amérique
Bureau d'Attaché Militaire
1492 Rue de la République
Herat, Bandaria

Dear Sirs,

As Bandaria is enjoying growing military and defence cooperation with the United States and its Western allies, one of the most challenging tasks is to improve the Bandarian military forces, equipped according to Western standards. Bandaria's recent agreement with the United States to co-produce the Humdinger Missile Launcher is an indication of our friendship and alliance with the United States, as well as a benefit to the economic and technological advances of our two countries.

We desire to upgrade our current air defence capability. We are at present time operating with air-to-air missile systems which are increasingly difficult to maintain because of their age and origin. It is with great pride that I inform you of Bandaria's intent to purchase 94 Humdinger Missiles, HUM-120A, with 10 associated LAU HUM-129A/A launchers, and related equipment to make this upgrade.

We request these missiles to be manufactured by the MASID Corporation of Dayton, Ohio. As you are aware, the MASID Corporation has invested much time and money toward the construction of the Usine de Machiner, de Fabrication et d'Assemblée de Bandaria (UMFAB) outside of Herat, and much of the manufacturing and test equipment is leased to UMFAB from MASID.

We kindly request the following provisions be included in the purchase contract: that the 10 Missile Launchers are to be co-produced at UMFAB. To this purchase we also wish to include training and two years of spare parts and accessories, as well as technical assistance. This purchase will require an offset agreement between our Ministry of Défence and the MASID Corporation. This arrangement must comply with Bandarian industrial benefit policy and laws.

We also request a waiver of all Nonrecurring Costs (NC). Our budget is such that we will not be able to purchase the missiles if the NC is not waived.

The preparedness and viability of the Bandarian Air Forces is of paramount importance. We therefore request the United States government to submit to our Ministry of Défence a Letter of Offer for our acceptance before the end of the current year. For these purchases the Government of Bandaria has appropriated Gazoobies (GZ) 120,350,000,000 or approximately 86 Million U.S. Dollars.

Very Sincerely,

Dr. Karl Alfonsas Vanderjäger,

Ministre des Achats de la Défence

Ministère de la Défence du Bandaria

ZNR UUUUU

R 241234Z MAY 04

FM AMEMBASSY HERAT

TO RUEAHQA/SAF WASHDC//IA//

INFO RUEKJCS/SECDEF WASHDC//DSCA-MEAN//

RUEHC/SECSTATE WASHDC//PM-RSAT//

RUSNDNA/USCINCEUR VAIHINGEN GE//ECJ4-ID//

BT

UNCLAS SECTION 01 OF 01 HERAT

REF: A. GOVERNMENT OF BANDARIA LETTER OF REQUEST DATE 14 MAY2004.

B. MoD OF THE REPUBLIC OF BANDARIA AND THE US DOD MOU DATED 6 OCTOBER 1997.

SUBJECT: SME LOR SUBMISSION FOR HUMDINGER MISSILES

1. THE GOVERNMENT OF BANDARIA (GOB) HAS SUBMITTED REF A (FORWARDED TO YOU UNDER SEPARATE COVER) REQUEST FOR A SYSTEM SALE LOA FOR 94 MASID CORPORATION HUM-120A HUMDINGER MISSILES, WITH ASSOCIATED SUPPORT EQUIPMENT, TRAINING, AND INITIAL SPARE PARTS. REF B MOU FOR CO PRODUCTION OF UP TO 112 MISSILE LAUNCHERS APPLIES TO THIS SYSTEM SALE. THE GOB HAS STATED THAT IT WILL REQUIRE THIS OFFSET AGREEMENT WITH THE PRIME CONTRACTOR TO COMPLY WITH BANDARIA'S INDUSTRIAL BENEFIT POLICY AND LAW FOR OFFSETS.

2. AMEMBASSY HERAT SUPPORTS THIS SALE AND IN ACCORDANCE WITH SECTION C5.1.3.1 OF THE SAMM, THE FOLLOWING INFORMATION IS SUBMITTED:

A. BANDARIA REQUIRES THE MISSILES TO UPGRADE THE AIR-TO-AIR FIGHTING CAPABILITIES OF ITS JET FIGHTERS. THE MISSILES CURRENTLY DEPLOYED ON THE AIRCRAFT ARE OF FRENCH ORIGIN, TECHNICALLY OBSOLETE AND INCREASINGLY NOT SUPPORTABLE LOGISTICALLY.

B. SINCE SIMILAR ITEMS ARE ALREADY IN THE BANDARIAN INVENTORY, IT IS ANTICIPATED THAT THE INTRODUCTION OF THE HUMDINGER WILL NOT SERIOUSLY AFFECT FORCE STRUCTURE. THE INCREASED CAPABILITY THAT THE MODERN MISSILES WOULD BRING WOULD GREATLY ENHANCE BANDARIA'S ABILITY TO DEFEND ITS AIRSPACE. BANDARIA HAS BEEN RECENTLY COOPERATING CLOSELY WITH THE U.S. IN MONITORING SUSPECTED DRUG OVERFLIGHTS.

C. IT IS ANTICIPATED THAT BANDARIA'S NEIGHBORS WILL HAVE NO SIGNIFICANT REACTION TO THIS PROPOSED SALE.

D. WITH PROPER TRAINING, TECHNICIANS FROM THE BANDARIAN AIR FORCE SHOULD BE ABLE TO PROPERLY OPERATE AND MAINTAIN THESE MISSILES, AT LEAST UP TO AND INCLUDING THE INTERMEDIATE LEVEL.

E. THIS SALE WOULD BE FINANCED WITH COUNTRY FUNDS. SINCE THE MOD HAD DESIGNATED THIS PROCUREMENT A PRIORITY, SUFFICIENT FUNDS HAVE BEEN DESIGNATED FROM DEFENSE PROCUREMENT BUDGET. THE OVERALL ECONOMIC IMPACT TO THE BANDARIAN ECONOMY IS INSIGNIFICANT.

F. ALTHOUGH HUMAN RIGHTS CONSIDERATIONS CONTINUE TO BE A PRIORITY WITH AMEMBASSY HERAT, THE GENERAL LEVEL OF HUMAN RIGHTS GUARANTEES IS GOOD AND IMPROVING IN BANDARIA. THIS CONSIDERATION SHOULD NOT AFFECT THIS PROPOSED SALE.

G. AMEMBASSY HERAT STRONGLY RECOMMENDS THE APPROVAL OF THIS PROPOSED SALE.

3. POC FOR THIS ACTION IS COL TOM SELDEN, CHIEF, SAO BANDARIA.

BT

REYNOLDS##

UUUUU



**DEFENSE SECURITY COOPERATION AGENCY
WASHINGTON, DC 20341-2200**

In reply refer to:
I-04/1234567-P2
14 June 2004

FINDING

In accordance with Section 21(e)(2) of the *Arms Export Control Act*, as amended by Public Law 104-106, and pursuant to Determination I-04/1234567-P2, I waive the \$10,852,300.00 NC charges associated with the following sales:

IDENTIFIER	DESCRIPTION	NC CHARGE
BN-D-YCY	Up to 94 Missile Systems, Humdinger (MDE: unit NC: \$114,000)	\$10,716,000
BN-D-YCY	Up to 6 Humdinger HAVI Missiles (MDE: unit NC: \$15,000)	\$ 90,000
BN-D-YCY	Up to 10 LAU-129A/A Launchers (MDE: unit NC: 3,530)	\$ 35,300
BN-D-YCY	Up to 22 Training Missiles (MDE: Unit NC: \$500.00)	\$ 11,000
NC TOTAL		\$10,852,300

This waiver is effective immediately

//Signed//

Director, DSCA

COORDINATION:

OUSD (AT&L) (ME)

Concur: J. HAWKINS _____ Date: __1 Aug 04_____

OASD (C) (INVESTMENT)

Concur: R. HANSEMAN _____ Date: __30 Jun 04_____

DSCA GENERAL COUNSEL

Concur: F. E. SMITH _____ Date: __18 Jun 04_____



United States of America
Letter of Offer and Acceptance (LOA)
BN-D-YCY
Royal Humdinger

Based on (DISAM) Government of Bandaria (GOB) Letter dated (continued on page 2)
Pursuant to the Arms Export Control Act, the Government of the United States (USG)
offers to sell to the Embassy of Bandaria Office of the Air Attaché 1234 Massachusetts Ave, NW
Washington, DC 29999, the defense articles or defense services (which may include defense
design and construction services) collectively referred to as "items," set forth herein, subject to the
provisions, terms, and conditions in this LOA.

This LOA is for 94 HUM-120A Humdinger Missiles, including co-production of the LAU HUM 129A/A missile launchers, two years spare parts, contractor (continued on page 2)

Estimated Cost: \$84,829,264

Initial Deposit: \$1,193,236

Terms of Sale:

Cash Prior to Delivery

Dependable Undertaking

Congressional Notification: 04-46

This offer expires on 30 September 2004. Unless a request for extension is made by the Purchaser and granted by the USG, the offer will terminate on the expiration date.

This LOA consists of page 1 through page 30.

The undersigned are authorized representatives of their Governments and hereby offer and accept, respectively, this LOA:

US Signature _____ 21 Aug 2004
Date

RALPH R. PUGSLEY
DIRECTOR, CASE OPERATIONS
Typed Name and Title

HQ AFSAC/CO
Implementing Agency

_____	<u>28 Sep 2004</u>
Purchaser Signature	Date

A.J. MALAISE, GOB, MIN OF FIN
Typed Name and Title

Agency _____

<u>DSCA Reviewed/Approved</u>	<u>25 Aug 2004</u>
DSCA	Date

Information to be provided by the Purchaser

Mark For Code_(C)_, Freight Forwarder Code_(2)_, Purchaser Procuring Agency Code_D_,Name and Address of the Purchaser's Paying Office: See Original Signed Document

Customer reference continued: 14 May 2004 and MoD of the Republic of Bandaria and the U.S.
DoD MOU dated 6 October 1997.

Case description continued: technical services, training and related support requirements.

Items to be Supplied (costs and months for delivery are estimates):

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a)Unit	(b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
001 D3 47	B2Z HUMDINGERMSL1 (Y) MISSILE, HUMDINGER HUM-120A (DISAM) 1410-00-301-9999HU Standard Humdinger HUM- 120A Missile (Note(s) 1, 15, 16, 18, 19, 21)	94 EA	\$730,282.00	\$68,646,508	P(25-60) TA5	Z	8
002 D3 47	B2Z 1410HUM999999 (Y) MISSILE, HUMDINGER, HAVI (DISAM) 1410-00-301-9998HU Humdinger Air Vehicle Instrumented (HAVI) (Note(s) 2, 18, 19, 21)	6 EA	\$841,382.00	\$5,048,292	P(25-60) TA5	Z	8
003 D3 47	B2Z 1440013154103 (Y) LAUNCHER, LAU-129A/A 1440-01-315-4103 Humdinger Missile Launcher (Note(s) 3, 12, 19, 21, 27)	10 EA	\$38,380.00	\$383,800	P(25-37) TA5	Z	8
004 D3 47	B2Z 6920HUCTM120A (Y) MISSILE, HUMDINGER, TRAINING, CATM-120A (DISAM) 1410-00-301-9997HU CATM-120A, Humdinger Training Missile (Note(s) 4, 18,19, 21)	22 EA	\$22,220.00	\$488,840	P(38-60) TA5	Z	8

(1) itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a)Unit	(b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
005 C7 47	B2Z 8140ALLUP413E (N) ALLUP ROUND CONTAINER (DISAM) 8140-01-285-7178 Humdinger Missile, All Up Round Container (Note(s) 5, 19)	31 EA	\$3,529.00	\$101,044	P(25-60) TA5	Z	8
006 C7 47	B2Z 9B2Z00HUMDSUP (N) SUPPORT EQUIPMENT HUM-120A (DISAM) Humdinger HUM-120A Support Equipment (Note(s) 6)	XX		\$1,563,480	X(1-60) TA4	A	5
007 C7 47	B9A 9B9A00GMPARTS (N) GUIDED MISSILE PARTS COMPONENTS & PARTS FOR GM & GM SUPPORT EQUIPMENT Includes Classified Components (Note(s) 7)	XX		\$2,121,000	X(1-60) TA4	Z	8
008 C3 47	J8A 768ZB00KSPUBS (N) TECH, NON-TECH BOOKS, PUBLICATIONS (Note(s) 8)	XX		\$12,372	S(1-38) TA3	A	5
009 D3 47	M1E 0205000THERTA (N) OTHER TECHNICAL ASSISTANCE CONTRACTOR PERSONNEL ONLY (Note(s) 9)	XX		\$657,000	P(1-60) TA5	-	-

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(a)Unit	(4) Costs (b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
010 C7 47	M2K 02280000RRMSL (N) R-R MISSILES & SUPPORT EQUIPMENT Interim Contractor Support Repairs (Note(s) 10)	XX		\$631,250	P(1-60) TA5	Z	C
011 D3 47	R6B 076200PR0GMGT (N) PROGRAM MANAGEMENT USAF Program Management and Travel (Note(s) 11)	XX		\$1,350,000	S(1-66) TA3	-	-
012 D3 47	M1F 0208000000TDM (N) TECHNICAL DATA-ORG & INTERMEDIATE LEVEL MAINTENANCE (Note(s) 12)	XX		\$181,800	P(1-38) TA5	Z	4
013 A5 43	R4A 074000S1TSRVY (N) SITE SURVEYS Humdinger Missile System In-Country Survey (Note(s) 13)	XX		\$50,000	S(1-6) TA3	-	-
999 E1 88	N0O 00000FMSTRNG (N) TRAINING WSCN 9999/D399000/Abbr Trng Plan (Undefined Training and Contractor Training Requirements) (Note(s) 14, 26, 34)	XX		\$160,000	X(1-24) TA4	-	-

Subtotal Cost of Articles and Services	\$80,045,386
Case / Program Management	\$1,350,000

Estimated Cost Summary:

(8) Net Estimated Cost	\$81,395,386
(9) Packing, Crating, and Handling	434
(10) Administrative Charge	2,001,135
(11) Transportation	1,433,309
(12) Other	0
(13) Total Estimated Cost	\$84,830,264

To assist in fiscal planning, the USG provides the following anticipated costs of this LOA:

ESTIMATED PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Quarterly</u>	<u>Cumulative</u>
Initial Deposit	\$1,193,236	\$1,193,236
15 Mar 2005	\$143,698	\$1,336,934
15 Jun 2005	\$193,438	\$1,530,372
15 Sep 2005	\$254,079	\$1,784,451
15 Dec 2005	\$298,345	\$2,082,796
15 Mar 2006	\$ 350,702	\$2,433,498
15 Jun 2006	\$536,798	\$2,970,296
15 Sep 2006	\$1,665,206	\$4,635,502
15 Dec 2006	\$3,079,929	\$7,715,431
15 Mar 2007	\$4,456,679	\$12,172,110
15 Jun 2007	\$6,183,107	\$18,355,217
15 Sep 2007	\$8,423,949	\$26,779,116
15 Dec 2007	\$10,742,435	\$37,521,601
15 Mar 2008	\$12,226,884	\$49,748,485
15 Jun 2008	\$12,325,733	\$62,074,258
15 Sep 2008	\$10,496,428	\$72,570,686
15 Dec 2008	\$7,116,774	\$79,687,460
15 Mar 2009	\$3,803,931	\$83,491,391
15 Jun 2009	\$1,305,981	\$84,797,372
15 Sep 2009	\$23,073	\$84,818,445
15 Dec 2009	\$9,819	\$84,830,264

Explanation for acronyms and codes, and financial information, may be found in the "Letter of Offer and Acceptance Information."

Signed Copy Distribution:

1. Upon acceptance, the Purchaser should return one signed copy of this LOA to Defense Finance and Accounting Service - Denver, ATTN: DFAS-ADY/DE, 6760 E. Irvington Place, Denver, CO 80279-2000. Simultaneously, wire transfer of the initial deposit or amount due with acceptance of this LOA document (if required) should be made to financial institution identifier ABA# 021030004 U. S. Treasury NYC, Agency Location Code 00003801, Beneficiary: DFAS-ADY/DE Agency showing "Payment from Government of Bandaria for BN-D-YCY"; or a check for the initial deposit, made payable to the U.S. Treasury, mailed to DFAS-ATDT/DE, P.O. Box 173659, Denver, CO 80217-3659, showing "Payment from Government of Bandaria for BN-D-YCY". Wire transfer is preferred.
2. One signed copy should be returned to Department of the Air Force, AFSAC/CO 1822 Van Patton Drive Building 210 WPAFB, OH 45433-5337.

Note1. LINE ITEM 001 HUM-120A HUMDINGER MISSILE.

This line provides for 94 HUM-120A missiles to be purchased concurrent with USAF lots beginning in October 2006 at a rate of 3 missiles per month for the first 24 months, and two missiles per month for the remaining 11 months. The design will be the same as developed for the USAF/USN. A software modification will be made to accommodate the trajectory shaping for the ground launch mode. The missiles will be shipped in CNU 431/E USAF designed shipping and storage containers each capable of holding four all up rounds. This line includes additional warranties. The contractor to the U.S. Government will provide to the Government of Bandaria specific limited warranties for supplies specified in the U.S. Government contract as against defects in workmanship and materials, design and manufacturing conformance, and essential performance for the benefit of Bandaria under the subject LOA. A copy of the prime contractor's warranties, in English, will be provided to the Bandarian Air Force through the U.S. Government Case Manager from the MASID Missile Corporation.

Note 2. LINE ITEM 002 HUMDINGER AIR VEHICLE INSTRUMENTED (HAVI).

This line provides for 6 Humdinger Air Vehicles Instrumented (HAVI) to be purchased concurrent with USAF lots for delivery beginning in October 2006. The design will be the same as developed for the USAF/ USN. The HAVIs will be shipped in CNU 431/E USAF designed shipping and storage containers each capable of holding four all up rounds.

Note 3. LINE ITEM 003 LAU 129A/A LAUNCHERS.

This line provides for 10 launchers to be purchased concurrent with USAF lots for delivery in October 2006. This line also includes the cost of the Advance Missile Remote Interface Unit and the launcher adapters required for the under wing stores station. Additional requirements for Launchers for Bandaria will be produced in Bandaria in accordance with the MOU between GOB and the U.S. Government.

Note 4. LINE ITEM 004 TRAINING MISSILES.

This line provides 22 air training missiles, CATM-120A, to be purchased concurrent with USAF lots for delivery beginning in October 2006. The design will be the same as developed for the USAF/USN. The training missiles will be shipped in CNU 431/E USAF designed

shipping and storage containers. Each container is capable of holding four all-up rounds.

Note 5. LINE ITEM 005 CONTAINERS, CNU 431/E.

This line provides for 31 all up round CNU 431/E containers. The containers will be purchased concurrent with USAF lots and provided to the missile manufacturers prior to delivery need dates. The missiles and training missiles will be shipped from the manufacturers' plants to Bandaria in these containers. Each container is capable of holding four all-up rounds.

Note 6. LINE ITEM 006 SUPPORT EQUIPMENT.

This line includes an initial set of missile and launcher common and peculiar support equipment too support two operating locations, and two Missile Support Bit Test Sets to be purchased concurrent with USAF lots for delivery beginning in March 2006. It does not include any facilities or facilities type equipment. A full complement of common munitions and handling support equipment is priced on this LOA, although many of the items may be on hand. Actual items and quantities will be determined at the definitization conference to be held within 90 days after LOA acceptance.

Note 7. LINE ITEM 007 SPARE PARTS.

This line provides initial spare parts for missiles, launchers, containers, training missiles, missile bit test sets, and support, equipment for two years. Spare missile sections to provide minimal repair turnaround time at the depot facility are also included. These sections will be retained at the contractor's facility or joint Humdinger repair facility and used to swap out defective sections when repairs are required on the all up round missiles. Actual items and quantities of spares will be determined at the definitization conference to be held within 90 days of LOA acceptance.

Note 8. LINE ITEM 008 TECHNICAL PUBLICATIONS.

This line provides for an initial quantity of technical orders, drawings, and test reports required to operate and maintain missiles, launchers, and support equipment. Actual items will-be-determined at the definitization conference to be held within 90 days of LOA acceptance. Follow on support should be obtained through a technical order publication case established with the Air Force Security Assistance Center (AFSAC).

Note 9. LINE ITEM 009 CONTRACTOR TECHNICAL ASSISTANCE.

This line provides contractor engineering and technical support for unique missile configuration and assistance with post design technical services.

Note 10. LINE ITEM 010 INTERIM CONTRACTOR SUPPORT (ICS) REPAIRS.

This line provides for contractor repair service at the contractor's facility for depot level repair to the missile or missile sections. This ICS will utilize and maintain the spare missile sections purchased under Line 006 for this effort, based on predicted five missile failures annually. Subsequent depot level maintenance will be accomplished on an FMS maintenance case established with the AFSAC for continued ICS for the USAF/USN joint service depot.

Note 11. LINE ITEM 011 PROGRAM MANAGEMENT.

a. This line provides for, USAF personnel at the Humdinger Program Office, travel, supplies, data processing, equipment, and other over and above routine management costs incurred in support in support of this program.

b. Program reviews will be conducted every six months with the locations to be mutually agreed upon by Bandaria and Humdinger System Program Office (SPO). It is anticipated that the locations will rotate between Bandaria and the SPO. Contract reviews will be held every six months at the contractor's facility, between the program reviews.

Note 12. LINE ITEM 012 TECHNICAL DATA PACKAGE.

a. The technical data package offered herein is provided for the manufacture of 112 Humdinger Missile Launchers in Bandaria for indigenous purposes only. Such manufacture may be accomplished either by the Government of Bandaria in its own government-owned or government-operated facilities or in designated in-country private commercial facilities.

b. Any manufacture in excess of this quantity for indigenous defense purposes will require separate approval of the US Government and the execution of an LOA Modification.

c. The information furnished under this LOA, and the product derived from the use of such information shall not be disclosed or transferred to any third country, person, or organization without the prior written consent of the US Government and, where required, the execution of an LOA Modification or Amendment.

d. The use of technical data which will be provided under this LOA will be limited to that required for the manufacture of the equipment specifically authorized herein and its operation and maintenance. Information which has been acquired by the US Government without the unencumbered right to use and convey to others will not be furnished.

e. It is understood that the furnishing of these technical data does not in any way constitute a license to make, use, sell, or transfer whatsoever any inventions, technical information, or know-how (hereinafter referred to as proprietary information) owned by third parties which may be described in the documentation.

f. The US Government incurs no liability for any procurement, manufacture, use, or sale by the Government of Bandaria which makes use of any of the aforementioned proprietary information, or for any results derived from the use of the technical data furnished. The Government of Bandaria agrees to indemnify the US Government against any liability resulting from a claim asserted by the owner of any such proprietary rights in connection with such use by the Government of Bandaria of the documentation provided hereunder.

g. The US Government will use its best efforts to furnish technical data that are accurate, adequate for the authorized purpose, current, and complete however, the US Government does not guarantee the adequacy, accuracy, currency, or completeness of these data. Similarly, the US Government does not guarantee the accuracy, adequacy, currency, or completeness of any US industry documentation.

h. Production Validation - The Government of Bandaria will permit US Government personnel access to government and contractor facilities, records, and storage sites to review the implementation of the requirements of this LOA. Such access will be permitted when mutually convenient, but within a reasonable period of time after the request. Visits will be accomplished under established visit procedures.

i. The cost of documentation provided hereunder does not include periodic updating (revisioning service), which may be requested under a separate LOA, if desired.

j. Flowback of Bandaria Technical Data to the US:

(1) Technical Data -- Bandaria will furnish or cause to be furnished the following technical data to the U.S. Government at no cost to the U.S. Government other than the cost of reproduction, preparation, and handling:

(a) All technical data pertaining to changes, modifications, and improvements in, the design of Humdinger Missile Launchers made in the course of development, evaluation, production, operation, and maintenance of Humdinger Missile Launchers.

(b) All technical data pertaining to manufacturing processes employed in the production of Humdinger Missile Launchers.

(c) Technical data pertaining to changes proposed in the design of Humdinger Missile Launchers but not adopted.

(d) Notwithstanding (a), (b), and (c) above, if Bandaria incorporates an existing commercial item without modification of either the item or the Humdinger Missile Launchers and if: (i) the item is not based in whole or in part on U.S. technical data or on U.S. design; and (ii) the item is not in whole or in part funded or financed by Bandaria directly or indirectly; and (iii) there is no development contract or subcontract between Bandaria and the supplier, then Bandaria will only be required, to the extent that it has the right to do so without incurring liability to others, to provide the U.S. Government sufficient information for the U.S. Government to evaluate the item, to procure it, to incorporate it into the system, and to operate, maintain, repair, overhaul, and modify it.

(2) Right to Use -- Bandaria will grant or cause to be granted to the U.S. Government a non-exclusive, irrevocable, royalty-free license to use and have used for U.S. defense purposes, including security assistance, the technical data defined in (a),(b), and (c) in above paragraph and any inventions (whether or not patentable) made in the course of activities covered by this LOA. Additionally, Bandaria will use its best efforts to obtain licenses on fair and reasonable terms to the U.S. Government to use and have used the technical data defined in (d) of above paragraph and patented inventions depicted in such technical data for U.S. defense purposes, including security assistance.

(3) Contract Provisions -- Bandaria will include suitable provisions in all pertinent program contracts, including a requirement to include those same provisions in all subcontracts, to meet the requirements of this section.

Note 13. LINE ITEM 013 SITE SURVEY.

a. This Site Survey will be conducted under the general provisions of AFMAN 16-101. This will include, but not limited to, the main functions outlined in Attachment 3, AFMAN 16-101.

b. This survey will relate to acquisition of the Humdinger missile system, FMS case BN-D-YCY.

c. For planning purposes only, the USG will assign the following personnel as Team Members:

- (1) Team Chief, FMS Specialist - SAF/IA
- (2) Missile Manager
- (3) Missile Equipment Specialist

- (4) Table of Allowances Specialist
- (5) Training Specialist
- (6) Supply Support Specialist
- (7) Maintenance Specialist
- (8) Publications Specialist
- (9) PMEL Manager
- (10) Logistics Management Specialist

d. For planning purposes only, the survey team expects to be in-country within 60 days after LOA acceptance.

e. The Purchaser will, at its sole expense, assign one or more administrative/clerical personnel and interpreters, to work as required. The Purchaser will, at its sole expense, furnish full logistical support including, but not limited to, transportation, quarters and meals as needed, unless otherwise indicated, in writing, with acceptance of this LOA. Any exclusions of support will be additive costs to the Purchaser and be processed as a Modification. The survey team will prepare and submit a report to SAF/IA and official designated by the Purchaser. A briefing of the report will be given to the Purchaser if desired. The report will be used as a basis for amending FMS case BN-D-YCY if necessary.

f. The survey team will specifically cover, in detail, the present capabilities, concepts, plans and limitations of the Purchaser to acquire and support the Humdinger missile. Areas of discussion will center around, but not be limited to, the following areas:

- (1) Humdinger system
- (2) Operations
- (3) Training
- (4) Supply
- (5) Maintenance
- (6) Foreign Military Sales
- (7) Milestones

Note 14. LINE ITEM 999 MAINTENANCE TRAINING.

This line provides an estimate for training on Humdinger organizational and intermediate level maintenance and orientation conducted at the contractor's facility. This cost is for class only and does not cover travel or per diem for the students. A training definitization conference will convene within 90 days after LOA acceptance to confirm the entire training requirements and establish numbers of students and milestones.

Note 15. HUMDINGER MISSILE CLASSIFIED DEFENSE ARTICLES.

a. Classified defense articles provided by the USG require continuous accountability and protective custody. Access to classified HUMDINGER MISSILE hardware, software or information will be limited to Government of Bandaria employees and MASID Missile Corporation contractors who have the necessary clearances and specific need-to-know.

b. Additionally, the following security requirements apply to this case

(1) Operational and intermediate level maintenance will be accomplished by military or civilian employees of the Government of Bandaria at military establishments. No maintenance functions will be accomplished by third-country nationals, industries or their representatives unless approved in writing by the USG.

(2) Any HUMDINGER missiles/subcomponents which require depot-level repair will be transported under proper security procedures to designated depot-level repair facilities in the United States.

(3) The Government of Bandaria will maintain strict accountability records on all classified information, material, software and hardware provided by the United States related to HUMDINGER missiles including extracts and copies. These records will include documentary evidence of any HUMDINGER missiles which are lost or destroyed. Such records shall, to the extent possible, be centralized.

(4) HUMDINGER missiles and/or subcomponents of HUMDINGER missiles will be stored in structures in which all entrances are physically guarded or alarmed so that a security force can immediately respond to any attempted unauthorized entry.

(5) The Government of Bandaria will report immediately to USG authorities any allegations, confirmed or unconfirmed, of HUMDINGER missile software or technology released or compromised to unauthorized Bandaria nationals, third-country nationals, or a foreign government. The Government of Bandaria will also report any allegation, report, or evidence of third-nation intelligence efforts to collect or penetrate the HUMDINGER program.

(6) Industry access will be strictly controlled by the Government of Bandaria. A list of industry personnel authorized access to HUMDINGER hardware, software and related classified information will be maintained by Government of Bandaria and a copy provided to the USG.

c. USG personnel will be permitted to periodically examine and verify Government of Bandaria compliance with the previously listed security requirements, at times to be mutually agreed. The scope of this review will include but is not limited to the following elements:

(1) Assessment of security controls and procedures.

(2) Confirmation of the number of HUMDINGER missiles in inventory and expended.

(3) HUMDINGER system components, software and documentation.

d. To meet accountability and protective custody requirements, the USG will deliver classified defense articles. Upon acceptance of this LOA, the Purchaser agrees to designate in writing the name, address, and telephone number of the authorized representative who will accept the classified defense articles on behalf of the Purchaser. This written designation will contain assurances that such person has a security clearance at the appropriate level and that the person will assume full security responsibility for, the defense articles on behalf of the Purchaser. The Purchaser's authorized representative will execute a receipt for the material and be responsible for protective custody and delivery to the consignee.

e. Transmission instructions that meet accountability and protective custody requirements for the classified defense articles must be established and included in this LOA before transfer of the classified defense articles.

f. If the Purchaser proposes to take delivery and custody of classified defense articles in the United States and use its own facilities and transportation for forward shipment to the purchasing country, the Purchaser agrees to submit a transportation plan in accordance with

the SAMM, paragraph C3.5.4.5.1 for approval by the USG. Further, the Purchaser agrees to notify the USG of any changes as they occur to the transportation plan. If the plan is not received or is not approved, the provisions of paragraph d and e above will apply.

Note 16. HUMDINGER SYSTEM SALE.

a. The prices and schedules for the Humdinger Launcher, LAU-129A/A included in this LOA recognize the basic charter of the Memorandum of Understanding (MOU) between the U.S. Government and the Government of Bandaria relating to the Bandarian industrial participation in the, production of the LAU 129A/A, Humdinger Launcher. Price estimates assume full performance, including timely and efficient delivery. If the scope of designated work under the LOA expands by other arrangements, the LOA will be amended accordingly.

b. Follow on support and follow on training are not included in this Letter of Offer and Acceptance.

c. The purchaser recognizes that the preferred technique for FMS follow on spares support for systems standard to the USAF is through a Cooperative Logistics Supply Support Arrangement (CLSSA). The Purchaser recognizes that unless a CLSSA is established, the USAF is not authorized to procure and stock items before the requisition is received. Therefore, the Purchaser must be prepared to accept the lead-time and costs associated with small quantity procurements. If the Purchaser agrees to establish a CLSSA, negotiations would begin as soon as possible after this LOA is signed, or a minimum of 18 months prior to initial system delivery. Follow on support for nonstandard systems, if expected from the USAF, must be negotiated separately for inclusion in a follow on support LOA.

d. Insurance, if desired, should be obtained directly from commercial sources, unless a specific request has been made to the U.S. Government for the U. S. Government to obtain the insurance.

e. The spares, support equipment and training line items are for planning purposes only. A joint USAF/BAF definitization conference will be scheduled within 90 days of, the LOA implementation to define the quantities for spare parts and support equipment, and the training requirements for support of this program.

Note 17. LOA/MOU PRECEDENCE.

The Memorandum of Understanding (MOU) between the Government of the Republic of Bandaria (GOB) and the United States Government (USG), dated 6 October 1997, is herein incorporated by reference. In the event a conflict exists between the MOU and this LOA, the terms of the LOA take precedence.

Note 18. SOLE SOURCE PROCUREMENT.

Paragraph 1.2 of the Letter of Offer and Acceptance Standard Terms and Conditions states in part: "Unless the Purchaser has requested, in writing, that a sole source contractor be designated, and this LOA reflects acceptance of such designation by DoD, the Purchaser understands that selection of the contractor source to fill requirements is solely the responsibility of the USG." By letter dated 14 May 2004 the Purchaser has requested that MASID Missile Corporation be designated as prime contractor for Lines 001, 002, 004 of this Letter of Offer and Acceptance. This Note is evidence that DOD has accepted such request of the Purchaser and that such designation is required at the written direction of the

Purchaser.

Note 19. PROJECTED DELIVERY SCHEDULE.

The projected delivery schedules of end items identified in lines 001 through 005 are listed below:

<u>DELIVERY MONTH</u>	<u>MISSILE HUM-120A</u>	<u>HAVI</u>	<u>LAUNCHER LAU-129A/A</u>	<u>TRAINING MISSILE</u>	<u>CONTAINER CNU431/ E</u>
25	3	1	1		2
26	3		1		2
27	3		1		
28	3		1		
29	3		1		
30	3		1		2
31	3				2
32	3				
33	3		1		
34	3	1	1		
35	3				2
36	3		1		2
37	3		1		
38	3			2	
39	3			3	2
40	3	1		2	2
41	3			1	
42	3			2	
43	3			1	
44	3			2	2
45	3			1	2
46	3	1		2	
47	2			1	
48	2			2	2
49	2			1	
50	2			2	
51	2				2
52	2	1			2
53	2				
54	2				
55	2				
56	2				2
57	2				2
58	2				
59	2				
60	2	1			1
TOTAL	94	6	10	22	31

Note 20. CONTRACT ADMINISTRATIVE SURCHARGE.

For any lines on this LOA document with a Source of Supply of 'X' or 'P', the Contract Administrative Surcharge (CAS) rates apply; .65 for quality assurance and inspection, .65% for contract administration and .2% for contract audit. A waiver is authorized for the following

CAS component: quality assurance and inspection.

Note 21. NONRECURRING COSTS.

Nonrecurring Costs (NC) apply to line item(s) 001-004 of this LOA. The customer's request to waive these charges has been approved by DSCA memorandum 1-04/1234567-P2, dated 14 June 2004. Therefore, these costs have not been included in this case.

Note 22. ACCESSORIAL CHARGES.

a. A PC+H charge has been applied to Line 008.

b. A Transportation charge has been applied to Line(s) 001-005, 007, 008, and 010.

Note 23. AMMUNITION.

The US Government is a self-insurer, and in this connection your attention is invited to paragraphs 1.2 and 6 of the LOA Standard Terms and Conditions. DOD shall employ the same inspection procedures for this ammunition as would be used in the procurement of this type of ammunition for itself. Lot production of ammunition, however, carries risks associated with ammunitions' resultant performance. This risk is assumed by the US Government in procurement for its own use, and this risk is also assumed by the Purchaser in procurement for its use under this Offer and Acceptance. Accordingly, financial restitution will not be made for claims made on SF 364 Supply Discrepancy Report (SDR) (see paragraph 5.4 of the LOA Standard Terms and Conditions) for ammunition deficiencies unless such claims involve damage due to US Government actions with respect to compliance with applicable inspection criteria and procedures, or US Government actions with respect to packing, crating, handling, or transportation, or unless the US Government can obtain equal restitution from its contractor.

Note 24. ANTI-TAMPER MEASURES.

The United States Government (USG) may incorporate Anti-Tamper (AT) protection into weapon systems and components. The AT protection will not impact operations, maintenance, or logistics provided that all terms delineated in the system technical documentation are followed.

Note 25. CASE CLOSURE.

The estimated closure date is 24 months after the date of projected final delivery.

Note 26. CONTRACTOR (TYPE 1) TRAINING.

a. Cost of contractor training indicated herein is a best estimate of the information available at the time of offer. Actual costs will depend on factors such as the terms of the actual contracts.

b. Cancellation of training, or parts thereof, will be governed by paragraph 2.1 of the Letter of Offer and Acceptance Standard Terms and Conditions.

c. Purchaser's students must meet the prerequisites for training specified by the contract implementing this LOA.

d. Purchaser will be responsible for all student pay and allowances, and all student housing, meals, and other support. No government quarters will be made available at contractor locations, even when in the vicinity. The contractor will make arrangements for housing unaccompanied students. Officers and enlisted personnel will occupy separate quarters.

Costs of contractor furnished housing and support will be charged to the training contract, and will be paid by Purchaser under this LOA. Dependent housing will not be provided.

e. Purchaser will be responsible for student transportation costs from country to CONUS contractor location and return. The contractor will provide any transportation between that location and other training locations. The contractor will provide local ground transportation for the students between their quarters and the training location. Such transportation will be provided only during the scheduled training days. Transportation costs incurred by the contractor will be charged to the training contract, and will be paid by the Purchaser under this LOA.

f. Medical charges indicated on the Letter of Offer are for medical services at DOD facilities for students under this case. Final billing for services at DOD facilities will be based on actual services rendered, at the rates determined by the Assistant Secretary of Defense Comptroller. Treatment at private facilities may be required when students are undergoing training at a contractor location and no DOD facilities are available or on an emergency, as needed, basis. Such treatment will be charged to this LOA based on actual costs incurred. All medical bills should be sent to AFSAT/FM, 315 J Street W., Randolph AFB, TX 78150-4354.

g. Purchaser will designate Country Liaison Officers (CLO) for all contractor training. The function of a CLO, as defined in AFJI 16-105, is to assist with administrative details for foreign students in CONUS training from his or her country.

h. In cases where production aircraft acquired by Purchaser under this case are used in a CONUS training program, title to aircraft will pass to Purchaser upon signature of the DD Form 250 as provided in this case. The aircraft will then be provided by the Purchaser to the contractor for use in the training program. Purchaser will grant authorization to the contractor to use these aircraft for the purpose of furnishing training pursuant to this LOA. Aircraft will carry Purchaser markings during training. After training is completed and temporary USG markings are applied, custody of the aircraft will be given to the USG for ferrying. Purchaser will be liable for any loss, damage or injury to the aircraft and any other property or personnel of the Purchaser, USG, contractor and third parties occurring during the training and ferrying periods, regardless of aircraft custody or markings.

Note 27. CO-PRODUCTION REPORTING/VALIDATION.

The Government of Bandaria agrees to provide periodic reporting of quantities of defense items produced under this Agreement and will permit U.S. Department of Defense personnel access to government and contractor facilities, storage sites, and those records necessary to verify production quantities, as well as control of technical data and other implementation requirements of this Agreement. Such access, if requested, will be permitted when mutually convenient, but within a reasonable period of time after the request. Visits will be accomplished under established visit procedures.

Note 28. DEFENSE ARTICLES.

a. Packing, Crating and Handling (PC+H) will be charged for non-stock funded items shipped from DOD facilities. PC+H costs will not be added for items shipped from contractor's facilities. When the source of supply changes, the Purchaser agrees to an automatic adjustment of accessorial charges.

b. When shipments are made by small parcel service, the Purchaser agrees that the accessorial charge specified in the current DOD directive will be additive.

c. When the point of delivery changes and/or the transportation responsibility changes, the Purchaser agrees to an automatic adjustment of accessorial charges and a change in place of title passage, if appropriate. When the parties agree to a Delivery Term Code (DTC) change, such change will be confirmed by issuance of an Amendment or a Modification as appropriate.

d. When staging is established for the benefit of the Purchaser (not already included in the offer), the Purchaser agrees to automatic application of an accessorial charge.

Note 29. MISSILE TECHNOLOGY CONTROL REGIME.

Paragraph 2.3 of the Standard Terms and Conditions of this LOA discusses use and transfer restrictions on articles and services provided under this LOA and emphasizes that the purchaser "shall not use or permit their use for purposes other than those authorized, unless the written consent of the USG has first been obtained." The purchaser agrees not to divert articles and services received under this LOA for purposes or uses other than those for which furnished to include, but not limited to, any use that could contribute to the acquisition, design, development or production of a "missile", as defined in section 74 of the AECA (22 U.S.C.2797c). The items will be used only for the purpose stated and such use will not be modified nor the items modified or replicated without the prior consent of the USG; neither the items nor replicas nor derivatives thereof will be retransferred without the consent of the USG. The USG also reserves the right to take action under section 73(a) of the AECA (22 U.S.C.2797b(a)) in the case of any export or transfer of any MTCR equipment or technology that contributes to the acquisition, design, development or production of missiles in a country that is not an MTCR adherent.

Note 30. OFFSET COSTS.

The DOD is not a party to any offset agreements/arrangements which may be required by the Purchaser in relation to the sales made in this LOA and assumes no obligation to administer or satisfy any offset requirements or bear any of the associated costs. To the extent that the Purchaser requires offsets in conjunction with this sale, offset costs may be included in the price of contracts negotiated under this LOA. If the Purchaser desires visibility into these costs, this should be discussed with the contractor at the time the offset agreement is signed. The contracting officer will ensure that the offset costs priced into the FMS contract are reasonable and consistent with the offset agreement.

Note 31. PERSONNEL RELATED COSTS.

a. Passports, Visas, Licenses, and Permits.

(1) Cost and delivery estimates herein anticipate the Government of Bandaria (GOB) will, within the framework of the laws of GOB, ensure the timely issuance of work, entry, or exit visas; work, vehicle operator, residence, or in-country travel permits; and any other appropriate licenses or permits required of the personnel, including dependents, to carry out this effort. (2) The US contractor shall be responsible for timely and complete submittal of the necessary information and forms directly to the appropriate GOB agency for the required passports, visas, licenses, or permits. The contractor shall be responsible for the sponsorship of its employees and their dependents and shall process said permits directly with, the appropriate GOB agency.

b. Access.

Cost and delivery schedules herein anticipate that US personnel in Bandaria will be authorized, at no cost, reasonable access to all data, plans, reports or other information and all existing and proposed offices, sites, and areas within Bandaria as required to accomplish this effort.

c. Export of Data.

US personnel shall not be required or expected to deliver to the Government of Bandaria, nor to any person or entity not a citizen of the United States of America, any technical data produced or utilized under this LOA until the Government of Bandaria has been furnished with clear evidence that such delivery of the data is (1) approved by the US State Department pursuant to the International Traffic in Arms Regulation, or (2) approval is not required.

d. Taxes, Duties, and Charges for Doing Business.

The contract(s) implementing this LOA will include the clause entitled "Taxes Foreign Fixed-Price Contracts (June 2003)" set forth in Federal Acquisition Section 52.229-6; therefore; price and delivery estimates within this LOA anticipate the following:

(1) Property, materiel, equipment, household furniture, appliances, and supplies imported into Bandaria by contractor exclusively for use in support of the contractor and its personnel and consigned and marked as required or approved by the USG will be exempt from import and export duties, taxes, licenses, excises, imports, and any other identifiable charges. The contractor will maintain any inventory control and accounting system adequate to reflect the usage and disposition of all contractor-owned property which has entered Bandaria duty-free under this LOA.

(2) The GOB, its agencies, and political subdivisions will levy no taxes or fees (including taxes on individual or corporate income or property, customs and import duties, or other taxes on employee personal household goods, supplies and personal effects imported into Bandaria for personal use) on the contractor, its employees, or the dependents of such employees.

(3) If any charges under d(1) or d(2) are imposed by the GOB, costs thereby incurred by the contractor will be reimbursed to the contractor at cost, including applicable overhead and General and Administrative, but excluding profit, out of national funds to be provided by the GOB under this LOA.

e. Security.

Price and delivery estimates anticipate that the Purchaser will provide adequate security to protect personnel and property associated with this LOA and located on Purchaser military bases, installations, or other designated work sites

Note 32. SALES COMMISSIONS AND FEES.

All US Government contracts resulting from this Offer and Acceptance shall contain one of the following provisions, unless the sales commission and fee have been identified and payment thereof approved in writing by the Government of Bandaria before contract award:

(a) For firm fixed price contracts or fixed price contracts with economic price adjustment. The contractor certifies that the contract price (including any subcontracts awarded hereunder) does not include any direct or indirect costs of sales commissions or fees for contractor sales representatives for the solicitation or promotion or otherwise to secure the conclusion of the sale of any of the supplies or services called for by this contract to the Government of Bandaria.

(b) For all other types of contracts. Notwithstanding any other provision of this contract, any direct or indirect costs of sales commissions or fees for contractor. (or subcontractor) sales representatives for the solicitation or promotion or otherwise to secure the conclusion of the sale of any of the supplies or services called for by this contract to the Government of Bandaria shall be considered as an unallowable item of cost under this contract.

Note 33. SUPPLY DISCREPANCY REPORTS.

Supply Discrepancy Reports (SDRs) and requests for supply adjustments should be submitted to HQ AFSAC/COSD, 5490 PEARSON ROAD, WRIGHT PATTERSON AFB OH 45433-5332.

Note 34. TRAINING.

a. Tuition rates indicated herein are best estimates only. Initial billing will be at the tuition rate which is current at the time the student enters training. Tuition costs for flying courses are estimates based on a syllabus designed to meet entry level skill of the average student. Tuition rates will be adjusted, when required, based on student proficiency advancement or student non-progression. All prices are subject to adjustment during the final cost reconciliation of the case.

b. If clothing and equipment required for training are issued to students, the full replacement price of such issue will be charged to the Purchaser under this case. The Purchaser understands that such costs of issue will increase the "Estimated Costs" and be documented on a Modification. No clothing or equipment will be issued to students if it is needed for USAF Peacetime Operating Stocks or War Reserve Material requirements.

c. The following cancellation requirements are effective 1 August 1998.

(1) Training Contracted/Dedicated for International Customers - Once a contract is let or a quota is confirmed, a 100% penalty fee will apply if Purchaser fails to send a student to the training, unless the quota is filled by another international student. Dedicated/contract training includes courses which rely on contract support and courses that are designated for international students only. AFSAT will identify those courses which are dedicated/contract training by message to the in-country U.S. Security Assistance Organization on an annual basis.

(2) Training Contracted for a Single International Customer - Under USG direct contract, all costs incurred up to the point of contract cancellation shall be paid. This could include total cancellation charges or partial cancellation charges. Each element of cost will be reviewed and negotiated for a final settlement cost by appropriate USG contracts personnel and the contractor.

(3) All Other Training - There will be a 50% charge for all confirmed training canceled or re-scheduled with less than 60 days notification unless the quota is filled by another international student. The penalty will be applied to all confirmed training within the 60-day window.

Additionally, the penalty will be applied to all training that falls within and outside the 60-day window if the training is part of a sequential pipeline that a student would attend as part of a complete curriculum. AFSAT will identify training which is part of a sequential pipeline by message to the in-country U.S. Security Assistance Organization on an annual basis. Any cancellation or reschedule of training that was scheduled at the request of the Purchaser, without the required lead time to cancel/reschedule similarly will incur a cancellation charge.

d. Student(s) must adhere to DoD regulations and publications concerning the administration of international students, including compliance with procedures for safeguarding information and prerequisites for training. Students not adhering to regulations or publications may be eliminated from training.

e. The Purchaser will be responsible for any loss or damage of USG aircraft or other property resulting from training and related activities, and will indemnify the USG against any such loss or damage.

f. Purchaser will be responsible for all student transportation, pay and allowances. On-base quarters will be provided at Purchaser's expense to unaccompanied students attending DoD courses to the extent feasible. Maid fees and services charges, as appropriate, will be billed directly to the student. No on base dependent housing will be provided.

g. Medical charges indicated on the Letter of Offer are for medical services at DOD facilities for students under this case. Final billing for services at DOD facilities will be based on actual services rendered, at the rates determined by the Assistant Secretary of Defense Comptroller. Treatment at private facilities may be required when students are undergoing training at a contractor location and no DOD facilities are available, or on an emergency, as needed, basis. Such treatment will be charged to this LOA based on actual costs incurred. All medical bills should be sent to AFSAT/FM, 315 J Street, W., Randolph AFB, TX 78150-4354.

Note 35. UNAUTHORIZED USE OF DEFENSE ARTICLES.

Defense articles furnished under this LOA may be used only for those authorized purposes set forth in section 2.2 of the Standard Terms and Conditions, unless the written consent of the USG has been obtained for a different use. The USG retains the right to verify reports that such defense articles have been used for purposes not authorized or for uses not consented to by the USG.

Note 36. USG FURNISHED TRANSPORTATION.

a. USG agrees to provide transportation services, for the items identified in this LOA to the Point of Delivery (POD). Purchaser's property will be transported at Purchaser's risk.

b. Purchaser will accept USG delivery listings as the basis for billing and proof of shipment.

c. Purchaser will accept responsibility for clearance of materiel through its customs at the POD and for movement of the materiel from its POD to the ultimate in-country destination.

d. Purchaser will appoint a duly authorized official to accept and sign for materiel at the POD, and submit outturn message and report. e. Purchaser will absorb losses of materiel the USG does not in fact recover from and independent carrier or handler, including where the USG is self-insured.

f. Purchaser will self-insure such shipments, or obtain commercial insurance without any right of subrogation of any claim against the United States.

g. The USG will assist the Purchaser in processing any claims against private carriers that may arise for lost or damaged shipments, in the same manner it processes claims for USG-owned materiel. Collection of revenue, if any, resulting from approved claims will be credited to the Purchaser's account.

h. If the purchaser proposes to take delivery and custody of the classified material in the U.S and use its own facilities and transportation for onward shipment to its territory, a Transportation Plan is required. The Transportation Plan is developed by the DoD Component that prepares the LOA in coordination with the purchasing Government as outlined in the Security Assistance Management Manual, Chapter 3. Purchasers may obtain assistance in the development of the transportation plan with their cleared freight forwarder. Further, the purchaser will notify the Implementing Agency of any changes as they occur to the transportation plan. The Implementing Agency that initiates the FMS transactions shall designate the security officials who are authorized to evaluate the transportation plan to determine whether the plan adequately ensures protection of the highest level of classified materiel involved. The purchaser will be notified of the approval or disapproval of the plan and any changes. If disapproved, the purchaser will be notified of the reason for disapproval and, when possible, changes that would be acceptable to the USG. As an alternative, the USG will ship the classified materiel by the Defense Transportation System.

Note 37. WARRANTIES RELATIVE TO DEFECTS IN WORKMANSHIP.

a. The U.S. DoD is required to obtain certain warranty provisions relative to defects in workmanship and materiel at the time of delivery and performance after delivery in specific procurement contracts when qualifying weapon systems and components are purchased for U.S. DoD requirements. Consistent with Section 6.1 of the Letter of Offer and Acceptance Standard Terms and Conditions, such warranties do not automatically apply to procurements for purchases under the Foreign Military Sales (FMS) program.

b. The U.S. DoD may obtain three distinct types of warranties. The first is a warranty against defects in workmanship and materiel at the time of delivery. Warranties in workmanship and materiel apply to all production units (both DoD and FMS) of the applicable item. FMS purchasers will receive, subject to specific terms, conditions, and limitations, the same warranty against defects in workmanship and materiel at the time of delivery as is provided to the U.S. DoD for procurements for its own use. The U.S. Government will exercise for the Purchaser any rights under procurement contracts arising from any warranties against defects in workmanship and materiel at the time of delivery. The applicability of any such warranty and the detailed scope thereof may not be determined as of the date of the Letter of Offer and Acceptance is issued. Purchaser inquiries on this subject should be addressed to the Military Department or Defense Agency that has issued the Letter of Offer and Acceptance.

c. The second type of warranty is that at the time of acceptance, the items conform to the design and manufacturing requirements of the procurement contract. d. The third type of warranty, which the U.S. DoD may purchase for its own requirement, is a performance

warranty. Performance warranties apply to FMS procurements only if the warranty is specifically requested by the purchaser, agreed to by the contractor, specified in appropriate provisions of the LOA, and the applicable costs are included in the LOA.

Note 38. SHORT OFFER EXPIRATION DATE.

A shorter than normal expiration date has been assigned to take advantage of contract opportunities.

Note 39. ADMINISTRATIVE SURCHARGE.

An administrative surcharge of 2.5% has been applied to Lines(s) 001-010, 012-013 and 999

LETTER OF OFFER AND ACCEPTANCE STANDARD TERMS AND CONDITIONS

Section

- 1 Conditions - United States Government (USG) Obligations
- 2 Conditions - General Purchaser Agreements
- 3 Indemnification and Assumption of Risks
- 4 Financial Terms and Conditions
- 5 Transportation and Discrepancy Provisions
- 6 Warranties
- 7 Dispute Resolution

1 Conditions - United States Government (USG) Obligations

1.1 Unless otherwise specified, items will be those which are standard to the US Department of Defense (DOD), without regard to make or model.

1.2 The USG will furnish the items from its stocks and resources, or will procure them under terms and conditions consistent with DOD regulations and procedures. When procuring for the Purchaser, DOD will, in general, employ the same contract clauses, the same contract administration, and the same quality and audit inspection procedures as would be used in procuring for itself, except as otherwise requested by the Purchaser and as agreed to by DOD and set forth in this LOA. Unless the Purchaser has requested, in writing, that a sole source contractor be designated, and this LOA reflects acceptance of such designation by DOD, the Purchaser understands that selection of the contractor source to fill requirements is the responsibility of the USG, which will select the contractor on the same basis used to select contractors for USG requirements. Further, the Purchaser agrees that the US DOD is solely responsible for negotiating the terms and conditions of contracts necessary to fulfill the requirements in this LOA.

1.3 The USG will use its best efforts to provide the items for the dollar amount and within the availability cited.

1.4 Under unusual and compelling circumstances, when the national interest of the US requires, the USG reserves the right to cancel or suspend all or part of this LOA at any time prior to the delivery of defense articles or performance of defense services. The USG shall be responsible for termination costs of its suppliers resulting from cancellation or suspension under this section. Termination by the USG of its contracts with its suppliers, other actions pertaining to such contracts, or cessation of deliveries or performance of defense services is not to be construed as cancellation or suspension of this LOA itself under this section.

1.5 US personnel performing defense services under this LOA will not perform duties of a combatant nature, including duties relating to training and advising that may engage US personnel in combat activities outside the US, in connection with the performance of these defense services.

1.6 The assignment or employment of US personnel for the performance of this LOA by the USG will not take into account race, religion, national origin, or sex.

1.7 Unless otherwise specified, this LOA may be made available for public inspection consistent with the national security of the United States.

2 Conditions - General Purchaser Agreements

2.1 The Purchaser may cancel this LOA or delete items at any time prior to delivery of defense articles or performance of defense services. The Purchaser is responsible for all costs resulting from cancellation under this section.

2.2 The Purchaser agrees, except as may otherwise be mutually agreed in writing, to use the defense articles sold hereunder only:

2.2.1 For purposes specified in any Mutual Defense Assistance Agreement between the USG and the Purchaser;

2.2.2 For purposes specified in any bilateral or regional defense treaty to which the USG and the Purchaser are both parties, if section 2.2.1 is inapplicable; or,

2.2.3 For internal security, individual self-defense, or civic action, if sections 2.2.1 and 2.2.2 are inapplicable.

2.3 The Purchaser will not transfer title to, or possession of, the defense articles, components and associated support material, related training or other defense services (including plans, specifications, or information), or technology furnished under this LOA to anyone who is not an officer, employee, or agent of the Purchaser (excluding transportation agencies), and shall not use or permit their use for purposes other than those authorized, unless the written consent of the USG has first been obtained. The Purchaser will ensure, by all means available to it, respect for proprietary rights in any items and any plans, specifications, or information furnished, whether patented or not. The Purchaser also agrees that the defense articles offered will not be transferred to Cyprus or otherwise used to further the severance or division of Cyprus, and recognizes that the US Congress is required to be notified of any substantial evidence that the defense articles sold in this LOA have been used in a manner which is inconsistent with this provision.

2.4. To the extent that items, including plans, designs, specifications, technical data, or information, furnished in connection with this LOA may be classified by the USG for security purposes, the Purchaser certifies that it will maintain a similar classification and employ measures necessary to preserve such security, equivalent to those employed by the USG and commensurate with security agreements between the USG and the Purchaser. If such security agreements do not exist, the Purchaser certifies that classified items will be provided only to those individuals having an adequate security clearance and a specific need to know in order to carry out the LOA program and that it will promptly and fully inform the USG of any compromise, or possible compromise, of US classified material or information furnished pursuant to this LOA. The Purchaser further certifies that if a US classified item is to be furnished to its contractor pursuant to this LOA: (a) items will be exchanged through official government channels, (b) the specified contractor has been granted a facility security clearance by the Purchaser at a level at least equal to the classification level of the US information involved, (c) all contractor personnel requiring access to such items have been cleared to the appropriate level by the Purchaser, and (d) the Purchaser will assume responsibility for administering security measures while in the contractor's possession. If a commercial transportation agent is to be used for shipment, the Purchaser certifies that such agent has been cleared at the appropriate level for handling classified items. These measures will be maintained throughout the period during which the USG may maintain such classification. The USG will use its best efforts to notify the Purchaser if the classification is changed.

3 Indemnification and Assumption of Risks

3.1 The Purchaser recognizes that the USG will procure and furnish the items described in this LOA on a non-profit basis for the benefit of the Purchaser. The Purchaser therefore undertakes to indemnify and hold the USG, its agents, officers, and employees harmless from any and all loss or liability (whether in tort or in contract) which might arise in connection with this LOA because of:

3.1.1 Injury to or death of personnel of Purchaser or third parties, or

3.1.2 Damage to or destruction of (a) property of DOD furnished to Purchaser or suppliers specifically to implement this LOA, (b) property of Purchaser (including the items ordered by Purchaser pursuant to this LOA, before or after passage of title to Purchaser), or (3) property of third parties, or

3.1.3 Infringement or other violations of intellectual property or technical data rights.

3.2 Subject to express, special contractual warranties obtained for the Purchaser, the Purchaser agrees to relieve the contractors and subcontractors of the USG from liability for, and will assume the risk of, loss or damage to:

3.2.1 Purchaser's property (including items procured pursuant to this LOA, before or after passage of title to Purchaser), and

3.2.2 Property of DOD furnished to suppliers to implement this LOA, to the same extent that the USG would assume for its property if it were procuring for itself the items being procured.

4 Financial Terms and Conditions

4.1 The prices of items to be procured will be billed at their total cost to the USG. Unless otherwise specified, the cost of items to be procured, availability determination, payment schedule, and delivery projections quoted are estimates based on the best available data. The USG will use its best efforts to advise the Purchaser or its authorized representatives of:

4.1.1 Identifiable cost increases that might result in an overall increase in the estimated costs in excess of ten percent of the total value of this LOA,

4.1.2 Changes in the payment schedule, and

4.1.3 Delays which might significantly affect estimated delivery dates. USG failure to advise of the above will not change the Purchaser's obligation under all subsections of section 4.4.

4.2 The USG will refund any payments received for this LOA which prove to be in excess of the final total cost of delivery and performance and which are not required to cover arrearages on other LOAs of the Purchaser.

4.3 Purchaser failure to make timely payments in the amounts due may result in delays in contract performance by DOD contractors, claims by contractors for increased costs, claims by contractors for termination liability for breach of contract, claims by USG or DOD contractors for storage costs, or termination of contracts by the USG under this or other open Letters of Offer and Acceptance of the Purchaser at the Purchaser's expense.

4.4 The Purchaser agrees:

4.4.1 To pay to the USG the total cost to the USG of the items even if costs exceed the amounts estimated in this LOA.

4.4.2 To make payment(s) by check or wire transfer payable in US dollars to the Treasurer of the United States.

4.4.3 If Terms of Sale specify "Cash with acceptance", to forward with this LOA a check or wire transfer in the full amount shown as the estimated Total cost, and agrees to make additional payment(s) upon notification of cost increase(s) and request(s) for funds to cover such increase(s).

4.4.4 If Terms of Sale specify payment to be "Cash prior to delivery", to pay to the USG such amounts at such times as may be specified by the USG (including initial deposit) in order to meet payment requirements for items to be furnished from the resources of DOD. USG requests for funds may be based on estimated costs to cover forecasted deliveries of items. Payments are required 90 days in advance of the time DOD plans such deliveries or incurs such expenses on behalf of the Purchaser.

4.4.5 If Terms of Sale specify payment by "Dependable Undertaking", to pay to the USG such amounts at such times as may be specified by the USG (including initial deposit) in order to meet payments required by contracts under which items are being procured, and any damages and costs that may accrue from termination of contracts by the USG because of Purchaser's cancellation of this LOA. USG requests for funds may be based upon estimated requirements for advance and progress payments to suppliers, estimated termination liability, delivery forecasts, or evidence of constructive delivery, as the case may be. Payments are required 90 days in advance of the time USG makes payments on behalf of the Purchaser.

4.4.6 If Terms of Sale specify "Payment on delivery", that bills may be dated as of the date(s) of delivery of the items, or upon forecasts of the date(s) thereof.

4.4.7 That requests for funds or billings are due and payable in full on presentation or, if a payment date is specified in the request for funds or bill, on the payment date so specified, even if such payment date is not in accord with the estimated payment schedule, if any, contained in this LOA. Without affecting Purchaser's obligation to make such payment(s) when due, documentation concerning advance and progress payments, estimated termination liability, or evidence of constructive delivery or shipment in support of requests for funds or bills will be made available to the Purchaser by DOD upon request. When appropriate, the Purchaser may request adjustment of any questioned billed items by subsequent submission of a discrepancy report.

4.4.8 To pay interest on any net amount by which it is in arrears on payments, determined by considering collectively all of the Purchaser's open LOAs with DOD. Interest will be calculated on a daily basis. The principal amount of the arrearage will be computed as the excess of cumulative financial requirements of the Purchaser over total cumulative payments after quarterly billing payment due dates. The rate of interest paid will be a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding short-term obligations of the USG as of the last day of the month preceding the net arrearage and shall be computed from the date of net arrearage.

4.4.9 To designate the Procuring Agency and responsible Paying Office and address thereof to which the USG will submit requests for funds and bills under this LOA.

5 Transportation and Discrepancy Provisions

5.1 The USG agrees to deliver and pass title to the Purchaser at the initial point of shipment unless otherwise specified in this LOA. With respect to items procured for sale to the Purchaser, this will normally be at the manufacturer's loading facility; with respect to items furnished from USG stocks, this will normally be at the US depot. Articles will be packed, crated, or otherwise prepared for shipment prior to the time title passes. If "Point of Delivery" is specified other than the initial point of shipment, the supplying US Department or Agency will arrange movement of the articles to the authorized delivery point as a reimbursable service but will pass title at the initial point of shipment. The USG disclaims any liability for damage or loss to the items incurred after passage of title irrespective of whether transportation is by common carrier or by the US Defense Transportation System.

5.2 The Purchaser agrees to furnish shipping instructions which include Mark For and Freight Forwarder Codes based on the Offer/Release Code.

5.3 The Purchaser is responsible for obtaining insurance coverage and customs clearances. Except for articles exported by the USG, the Purchaser is responsible for ensuring that export licenses are obtained prior to export of US defense articles. The USG incurs no liability if export licenses are not granted or they are withdrawn before items are exported.

5.4 The Purchaser agrees to accept DD Forms 645 or other delivery documents as evidence that title has passed and items have been delivered. Title to defense articles transported by parcel post passes to the Purchaser at the time of parcel post shipment. Standard Form 364 will be used in submitting claims to the USG for overage, shortage, damage, duplicate billing, item deficiency, improper identification, improper documentation, or non-shipment of defense articles and non-performance of defense services and will be submitted promptly by the Purchaser. DOD will not accept claims related to items of \$200 or less for overages, shortages, damages, non-shipment, or non-performance. Any claim, including a claim for shortage (but excluding a claim for nonshipment/nonreceipt of an entire lot), received after one year from passage of title to the article or from scheduled performance of the service will be disallowed by the USG unless the USG determines that unusual and compelling circumstances involving latent defects justify consideration of the claim. Claims, received after one year from date of passage of title or initial billing, whichever is later, for nonshipment/nonreceipt of an entire lot will be disallowed by the USG. The Purchaser agrees to return discrepant articles to USG custody within 180 days from the date of USG approval of such return.

6 Warranties

6.1 The USG does not warrant or guarantee any of the items sold pursuant to this LOA except as provided in section 6.1.1. DOD contracts include warranty clauses only on an exception basis. If requested by the Purchaser, the USG will, with respect to items being procured, and upon timely notice, attempt to obtain contract provisions to provide the requested warranties. The USG further agrees to exercise, upon the Purchaser's request, rights (including those arising under any warranties) the USG may have under contracts connected with the procurement of these items. Additional costs resulting from obtaining special contract provisions or warranties, or the exercise of rights under such provisions or warranties, will be charged to the Purchaser.

6.1.1 The USG warrants the title of items sold to the Purchaser hereunder but makes no warranties other than those set forth herein. In particular the USG disclaims liability resulting from infringement or other violation of intellectual property or technical data rights occasioned by the use or manufacture outside the US by or for the Purchaser of items supplied hereunder.

6.1.2 The USG agrees to exercise warranties on behalf of the Purchaser to assure, to the extent provided by the warranty, replacement or correction of such items found to be defective, when such materiel is procured for the Purchaser.

6.2 Unless the condition of defense articles is identified to be other than serviceable (for example, "As-is"), DOD will repair or replace at no extra cost defense articles supplied from DOD stocks which are damaged or found to be defective in respect to material or workmanship when it is established that these deficiencies existed prior to passage of title, or found to be defective in design to such a degree that the items cannot be used for the purpose for which they were designed. Qualified representatives of the USG and of the Purchaser will agree on the liability hereunder and the corrective steps to be taken.

7 Dispute Resolution

7.1 This LOA is subject to US Federal procurement law.

7.2 The USG and the Purchaser agree to resolve any disagreement regarding this LOA by consultations between the USG and the Purchaser and not to refer any such disagreement to any international tribunal or third party for settlement.

LETTER OF OFFER AND ACCEPTANCE INFORMATION

1. GENERAL. This provides basic information pertaining to the LOA for US and Purchaser use. Additional information may be obtained from the Security Assistance Management Manual, DOD 5105.38-M, the in-country Security Assistance Office, the DSCA Country Director, or from the implementing agency.

2. INFORMATION ENTERED BY THE USG.

a. Terms of Sale, and Purchaser responsibilities under those Terms, are described on the LOA. A list of all Terms of Sale, with explanations for each, are shown in DOD 5105.38-M.

b. Description/Condition. The item description consists of coding for use in US management of the LOA (starting with Generic/MASL and MDE "(Y)" or non-MDE "(N)" data such as that in DOD 5105.38-M, Appendix D) plus a short description of what is to be provided. When items are serviceable, Code "A" (new, repaired, or reconditioned material which meets US Armed Forces standards of serviceability) may be used; otherwise, Code "B" (unserviceable or mixed condition without repair, restoration, or rehabilitation which may be required) may be used. In some instances, reference to a note in the Terms and Conditions may complement or replace these codes.

c. The Unit of Issue is normally "EA" (each, or one; for example, 40 EA) or blank (unit of issue not applicable; for example, services or several less significant items consolidated under one LOA Item Number). When blank, a quantity or Unit Cost is not shown.

d. The Source Code (SC) in the Articles or Services to be Supplied Section is one or more of the following:

- S - Shipment from DOD stocks or performance by DOD personnel
- P - From new procurement
- R - From rebuild, repair, or modification by the USG
- X - Mixed source, such as stock and procurement, or undetermined
- E - Excess items, as-is
- F - Special Defense Acquisition Fund (SDAF) items

e. Availability leadtime cited is the number of months (MOS) estimated for complete delivery of defense articles or performance of defense services. The leadtime starts with Acceptance of this Offer, including the conclusion of appropriate financial arrangements, and ends when items are made available to transportation.

f. Type of Assistance (TA) Codes are as follows:

- 3 - Source Code S, R, or E; based on Arms Export Control Act (AECA) Section 21(b).
- 4 - Source Code X; AECA Sections 21(b), 22(a), 29, or source undetermined.
- 5 - Source Code P; AECA Section 22(a).
- 6 - Source Code S, R, or E, payment on delivery; AECA Section 21(d).
- 7 - Source Code P, dependable undertaking with 120 days payment after delivery; AECA Section 22(b).
- 8 - Source Code S, R, or E, stock sales with 120 days payment after delivery; AECA Section 21(d).
- M - MAP Merger; Foreign Assistance Act (FAA) Section 503(a)(3).
- N - FMS Credit (Nonrepayable); AECA Sections 23 or 24.
- U - Source Code P; Cooperative Logistics Supply Support Arrangement (CLSSA) Foreign Military Sales Order (FMSO) I.
- V - Source Code S; CLSSA FMSO II stocks acquired under FMSO I.
- Z - FMS Credit; AECA Sections 23 or 24.

g. Training notes: AP - Annual training program; SP - Special training designed to support purchases of US equipment; NC - This offer does not constitute a commitment to provide US training; SC - US training concurrently being addressed in separate LOA; NR - No US training is required in support of this purchase.

h. Offer Release Codes (Ofr Rel Cde) and Delivery Term Codes (Del Trm Cde) below may also be found in DOD 4500.9-R. The following Offer Release Codes also pertain to release of items for shipment back to Purchaser on repair LOAs:

A - Freight and parcel post shipments will be released automatically by the shipping activity without advance notice of availability.

Y - Advance notice is required before release of shipment, but shipment can be released automatically if release instructions are not received by shipping activity within 15 calendar days. Parcel post shipments will be automatically released.

Z - Advance notice is required, before release of shipment. Shipping activity will follow-up on the notice of availability until release instructions are furnished. Parcel post shipments will be automatically released.

X - The Implementing Agency (IA) and country representative have agreed that the:

-- IA will sponsor the shipment to a country address. Under this agreement, the Freight Forwarder Code must also contain X and a Customer-within-Country (CC) Code must be entered in the Mark For Code on the front page of the LOA. The MAPAD must contain the CC Code and addresses for each type of shipment (parcel post or freight).

-- Shipments are to be made to an assembly point or staging area as indicated by clear instructions on exception requisitions. Under this agreement, the Freight Forwarder Code must contain W. A Mark For Code may be entered in the Mark For Code space on the front page of the LOA and the MAPAD must contain the Mark For Code if the Mark For Address is to be used on the shipment to the assembly point or staging area.

i. For the following Delivery Term Codes, DOD delivers:

2 - To a CONUS inland point (or overseas inland point when the origin and destination are both in the same geographic area)

3 - At the CONUS POE alongside the vessel or aircraft

4 - Not applicable (Purchaser has full responsibility at the point of origin. Often forwarded collect to country freight forwarder.)

5 - At the CONUS POE on the inland carrier's equipment

6 - At the overseas POD on board the vessel or aircraft

7 - At the overseas inland destination on board the inland carrier's equipment

8 - At the CONUS POE on board the vessel or aircraft

9 - At the overseas POD alongside the vessel or aircraft

Delivery Term Codes showing DOD transportation responsibility for repair LOAs are shown below. The LOA will provide a CONUS address for each item identified for repair. The customer must assure this address is shown on all containers and documentation when materiel is returned.

A - From overseas POE through CONUS destination to overseas POD on board the vessel or aircraft

B - From overseas POE through CONUS destination to CONUS POE on board the vessel or aircraft

C - From CONUS POD on board the vessel or aircraft through CONUS destination to CONUS POE on board the vessel or aircraft

D - From CONUS POD on board the vessel or aircraft through the CONUS destination to overseas POD on board the vessel or aircraft

E - Not applicable (Purchaser has complete responsibility.)

F - From overseas inland point through CONUS destination to overseas inland destination

G - From overseas POE through CONUS destination to overseas POD alongside vessel or aircraft

H - (For classified items) From CONUS inland point to CONUS POE alongside vessel or aircraft

J - (For classified cryptographic items) From CONUS inland point to overseas inland destination

3. INFORMATION TO BE ENTERED BY THE PURCHASER. Mark For and Freight Forwarder Codes are maintained in the Military Assistance Program Address Directory (MAPAD), DOD 4000.25-8. The Purchaser Procuring Agency should show the code for the Purchaser's Army, Navy, Air Force, or other agency which is purchasing the item(s). The Name and Address of the Purchaser's Paying Office is also required.

a. Mark For Code. This Code should be entered for use in identifying the address of the organization in the Purchaser country which is to receive the items. This includes return of items repaired under an LOA.

(1) This address will be added by the US DOD to the Ship To address on all freight containers. It will also appear on items forwarded by small parcel delivery service, including parcel post. The address should include the port of discharge name and designator (water or air); country name, country service name, street, city, state or province, and (if applicable) in-country zip or similar address code.

(2) Shippers are not authorized to apply shipment markings. If codes and addresses are not published, containers will be received at the freight forwarder or US military representative in-country unmarked for onward shipment with resultant losses, delays, and added costs. The USG will sponsor shipment of this materiel to FOB US point of origin.

b. Freight Forwarder Code. When Offer Release Code X applies, Code X or W, discussed under Offer Release Code X above, must be entered.

4. FINANCIAL.

a. The method of financing is shown in the LOA, Amendment, or Modification. The initial deposit required with Purchaser signature of the LOA is an integral part of the acceptance.

b. LOA payment schedules are estimates, for planning purposes. DFAS-AY/DE will request payment in accordance with the payment schedule unless DOD costs, including 90-day forecasted requirements, exceed amounts required by the payment schedule. When this occurs, the US will use its best efforts to provide a new schedule via LOA Modification at least 45 days prior to the next payment due date. The Purchaser is required to make payments in accordance with quarterly DD Forms 645 issued by DFAS-AY/DE regardless of the existing payment schedule.

c. The DD Form 645 serves as the bill and statement of account. An FMS Delivery Listing, identifying items physically or constructively delivered and services performed during the billing period, will be attached to the DD Form 645. DFAS-AY/DE forwards these forms to the Purchaser within 45 days before payments are due and Purchasers must forward payments in US dollars to the USG in time to meet prescribed due dates. Costs in excess of amounts funded by FMF agreements must be paid by the Purchaser. Questions concerning the content of DD Forms 645 and requests for billing adjustments should be submitted to the Defense Finance and Accounting Service, ATTN: DFAS-AY/DE, 6760 E. Irvington Place, Denver, CO 80279-2000.

d. The preferred method for forwarding cash payments is by bank wire transfer to the Department of the Treasury account at the Federal Reserve Bank of New York using the standard federal reserve funds transfer format. Wire transfers will be accepted by the Federal Reserve System (FRS) only from banks that are members of the FRS, therefore, non-US banks must go through a US correspondent FRS member bank. The following information is applicable to cash payments:

Wire transfer-

United States Treasury

New York, New York

021030004

DFAS-AY/DE

Agency Code 00003801

Payment from (country or international organization) for Letter of Offer and Acceptance (Identifier at the top of the first page of the LOA)

Check mailing address-

DFAS-ADCTA/DE PO

Box 173659

Denver, CO 80217-3659

e. To authorize payments from funds available under FMF loan or grant agreements, the Purchaser may be required to submit a letter of request to the Defense Finance and Accounting Service, ATTN: DFAS-AY/DE, 6760 E. Irvington Place, Denver, CO 80279-2000. Purchasers should consult applicable FMF agreements for explicit instructions. Questions pertaining to the status of FMF financing and balances should be directed to DSCA/COMPT-FM.

f. Payments not received by DFAS-AY/DE by the due date may be subject to interest charges as outlined in paragraph 4.4.8 of the LOA Standard Terms and Conditions.

g. The values on the LOA are estimates. The final amount will be equal to the cost to the USG. When deliveries are made and known costs are billed and collected, DFAS-AY/DE will provide a "Final Statement of Account" which will summarize final costs. Excess funds will be available to pay unpaid billings on other statements or distributed as agreed upon between the Purchaser and the Comptroller, DSCA.

h. The Purchaser may cancel this LOA upon request to the implementing agency. An administrative charge that equals one-half of the applicable administrative charge rate times the ordered LOA value, which is earned on LOA acceptance, or the applicable administrative charge rate times the actual LOA value at closure, whichever is higher, may be assessed if this LOA is canceled after implementation.

5. CHANGES TO THE LOA. Changes may be initiated by the USG or by requests from the Purchaser. After acceptance of the basic LOA, these changes will take the form of Amendments or Modifications.

a. Amendments encompass changes in scope, such as those which affect the type or number of significant items to be provided. Amendments require acceptance by the USG and the Purchaser in the same manner as the original LOA.

b. Modifications include changes which do not constitute a change in scope, such as increases or decreases in estimated costs or delivery schedule changes. Modifications require signature only to acknowledge receipt by the Purchaser.

c. When signed, and unless alternate instructions are provided, copies of Amendments and Modifications should be given the same US distribution as the basic LOA.

d. Requests for changes required prior to acceptance by the Purchaser should be submitted to the implementing agency for consideration. See DOD 5105.38-M.

6. CORRESPONDENCE. Questions or comments regarding this LOA should identify the Purchaser request reference and the identification assigned by the implementing agency within DOD.

TERMINATION LIABILITY WORKSHEET

LOA Identification: BN-D-ICY
Amount Received from Purchaser

Type: LOA Nbr:

23-Aug-04

Payment Date	Total Payment		Estimated Disbursements		Termination Liability/ Contractor Holdback	
	Quarterly	Cumulative	Quarterly	Cumulative	Quarterly	Cumulative
Due with LOA Acceptance	\$1,193,236	\$1,193,236	\$1,181,094	\$12,142		
15 Mar 2005	\$143,698	\$1,336,934	\$107,271	\$1,288,365	\$36,427	\$48,569
15 Jun 2005	\$193,438	\$1,530,372	\$141,181	\$1,429,546	\$52,257	\$100,826
15 Sep 2005	\$254,079	\$1,784,451	\$221,340	\$1,650,886	\$32,739	\$133,565
15 Dec 2005	\$298,345	\$2,082,796	\$230,438	\$1,881,324	\$67,907	\$201,472
15 Mar 2006	\$350,702	\$2,433,498	\$275,150	\$2,156,474	\$75,552	\$277,024
15 Jun 2006	\$536,798	\$2,970,296	\$443,810	\$2,600,292	\$92,980	\$370,004
15 Sep 2006	\$1,665,206	\$4,635,502	\$1,399,433	\$3,999,725	\$265,773	\$635,777
15 Dec 2006	\$3,079,929	\$7,715,431	\$1,768,340	\$5,768,065	\$1,311,589	\$1,947,366
15 Mar 2007	\$4,456,679	\$12,172,110	\$3,447,380	\$9,215,445	\$1,009,299	\$2,956,665
15 Jun 2007	\$6,183,107	\$18,355,217	\$4,162,182	\$13,377,627	\$2,020,925	\$4,977,590
15 Sep 2007	\$8,423,949	\$26,779,166	\$6,199,175	\$19,576,802	\$2,224,744	\$7,202,364
15 Dec 2007	\$10,742,435	\$37,521,601	\$8,535,346	\$28,112,148	\$2,207,089	\$9,409,353
15 Mar 2008	\$12,226,884	\$49,747,485	\$11,270,238	\$39,382,386	\$956,646	\$10,365,099
15 Jun 2008	\$12,325,773	\$62,074,258	\$15,225,040	\$54,607,426	- \$2,899,267	\$7,466,832
15 Sep 2008	\$10,496,428	\$72,570,686	\$14,969,464	\$69,576,890	- \$4,473,036	\$2,993,796
15 Dec 2008	\$7,116,774	\$79,687,460	\$9,410,491	\$78,987,381	- \$2,293,717	\$700,079
15 Mar 2009	\$3,803,931	\$83,491,391	\$4,504,010	\$83,491,391	- \$700,017	\$0
15 Jun 2009	\$1,305,981	\$84,797,372	\$1,305,981	\$84,797,372	\$0	\$0
15 Sep 2009	\$23,073	\$84,820,445	\$23,0738	\$4,820,445	\$0	\$0
15 Dec 2009	\$9,819	\$84,830,264	\$9,819	\$84,830,264	\$0	\$0

Manpower Travel Data Sheet

Case Identifier: BN-D-YCY-Basic

Case Title: Humdinger Missile System

Part A: Personnel

Item No.	Position/Function	Grade/Rank/Contractor	Location	LOA Line	Man Years of Effort	Duration (Start Mo/Yr – End Mo/Yr)	Total Salary
1	Technical Analyst	Contractor	AAC/YP EGLIN AFB FL	009	5	Sep 2004 through Dec 2009	\$657,000
2	Case Manager	GS-13	AFSAC/CO WPAFB OH	011	5.5	Sep 2004 through Apr 2010	\$606,565
3	Support Manager	GS-9	AAC/YP EGLIN AFB FL	011	5.5	Sep 2004 through Apr 2010	\$347,535
4	Supply Specialist	GS-7	AAC/YP EGLIN AFB FL	011	5.5	Sep 2004 through Apr 2010	\$312,315
Sub-Total for LOA Line 009, 011							\$1,923,415

Part B: Travel

Item No.	Purpose of Trip	CONUS/In-Country	LOA Line Item	Number of Trips	Duration of Each Trip	Number of People	Total Cost
1	LMR FY 05/Qtr 1	CONUS	011	2	3	1	\$2,000
2	PMR FY 05/Qtr 2	In-Country	011	1	7	2	\$8,000
3	LMR FY 06/Qtr 2	CONUS	011	2	3	1	\$2,000
4	PMR FY 06/Qtr 3	In-Country	011	1	7	2	\$8,000
5	LMR FY 07/Qtr 1	CONUS	011	2	3	1	\$2,000
6	PMR FY 07/Qtr 3	In-Country	011	1	7	2	\$8,000
7	LMR FY 08/Qtr 1	CONUS	011	2	3	1	\$2,000
8	PMR FY 08/Qtr 3	In-Country	011	1	7	2	\$8,000
9	LMR FY 09/Qtr 1	CONUS	011	1	3	1	\$2,000

10	PMR FY 09/Qtr 3	In-Country	011	1	7	2	\$8,000
11	LMR FY 10/Qtr 1	CONUS	011	2	3	1	\$2,000
12	PMR FY 10/Qtr 3	In-Country	011	1	7	2	\$8,000
13	PMR FY 10/Qtr 4	In-Country	011	2	5	2	\$8,000
Sub-Total for LOA Line 011							\$68,000

Part C: Personnel Support Costs

Item No.	Type of Support Cost	LOA Line Item	Total Cost
1	Office Equipment (Copier, Communications), Postage and Supplies	011	\$2,000
2	Computer Software, Equipment and Supplies/Small Computer Items	011	\$8,000
3	Contract Administrative Charge (CAS Lines 009) = 0.85%	009	\$5,585
	Sub-Total for LOA Line 009, 011		\$15,585
	TOTAL:		\$2,007,000

Overall methodology in deriving Personnel Support Costs was estimated value of equipment and services from vendors.

Part D: Narrative Description: This case provides for the purchase of Humdinger Missiles, Support Equipment, and Training. The Program Management Line provides Air Force Materiel Command (AFMC) services including travel to support the Bandaria Air Force (BAF) humdinger missile program. The cost data reflects estimated funding requirement for 66 months of services. It provides six (6) months of PML support beyond final delivery.

Part E: Additional Comments:

Total New Requirement for Parts A, B and C:

Case Duration: (9/2004-04/2010) LOA Line 009 and 011 \$2,007,000

Total **\$2,007,000**

-----No Additional Comments-----

Part F: Point of Contact for further information regarding manpower on this Case: Johnny Brown, SAF/IAPX, DSN 999-2121, FAX: 999-2222, E-mail: Johnny.Brown@pentagon-bldg50.mil

Part G: SAF/IAPX Review Date/Approval Number: Review Date: 09/10/2004 Approval Number: 2109

RP034

Generic Code: B2Z

MILITARY ARTICLES SERVICE LIST
(Generic Code)

9 June 2004

Ft Cd	RIC	MASL Cd	Gen Cd	Cls Id	UI Cd	MASL Description	Article Description	Q C In	MDE Cd	LSC Cd	Sel Desc	Inact In
YY	FA0	1410013013317	B2Z	U	EA	AMRAAM MSL, AIM-120A	AMRAAM MISSILE, AIM-120A	1	Y	N	398	Y
	FA0	1410014540351		U	EA	AMRAAM MSL, AIM-120B	AMRAAM MISSILE, AIM-120B	1	Y	N	398	N
	FA0	1410AMA1M120C		C	EA	AMRAAM MISSILE, AIM-120C	AMRAAM MISSILE, AIM-120C	0	Y	N	398	N
YY	FA0	1410HUM999999		U	EA	MSL, HUMDINGER, HAVI	MISSILE, HUMDINGER, HAVI (DISAM)	1	Y	N	999	N
	FA0	1410NCC514042		U	EA	AMRAAM MSL, AIM-120B	AMRAAM MISSILE, AIM-120B	1	Y	N	398	Y
	FA0	1410NCC618581		U	EA	AMRAAM MSL, AIM-120B	AMRAAM MISSILE, AIM-120B	1	Y	N	398	N
YY	FA0	144000120LCHR		U	EA	AMRAAM MISSILE LAUNCHER	AMRAAM MISSILE LAUNCHER	0	N	N	398	Y
	N21	144000127LCHR		U	EA	LAUNCHER, LAU-127A/A	LAUNCHER, LAU-127A/A	0	Y	N	398	N
	FA0	1440013154103		U	EA	LAUNCHER, LAU-129A/A	LAUNCHER, LAU-129A/A	0	Y	N	398	N
	FA0	1440013161238		U	EA	LAUNCHER, LAU-128A/A	LAUNCHER, LAU-128A/A	0	Y	N	398	N
YY	FA0	6920013014619		U	EA	TRAINING MSL, CATM-120A	TRAINING MISSILE, CATM-120A	1	N	N	398	Y
	FA0	692001CTM120B		U	EA	TRAINING MSL CATM-120B	TRAINING MISSILE CATM-120B	1	N	N	398	N
	FA0	692001CTM120C		U	EA	TRAINING MSL CATM-120C	TRAINING MSL CATM-120C	0	N	N	398	N
	FA0	692001E0DTRNG		U	EA	TRAINING MSL, EOD	TRAINING MISSILE, EOD	1	N	N	398	N
	FA0	6920HUCTM120A		U	EA	TRAINING MSL, CATM-120A	MISSILE, HUMDINGER, TRAINING, CATM-120A (DISAM)	1	Y	N	999	N
YY	FA0	8140012857178		U	EA	ALLUP RND CONTR, GNU 431/E	ALLUP RND CONTR, GNU 431/E	0	N	N	398	Y
	FA0	8140ALLUP413E		U	EA	ALLUP RND CTNTR, GNU 431/E,	ALLUP ROUND CONTAINER (DISAM)	1	N	N	999	N
	FA0	8140AMRAAMCTN		U	XX	AMRAAM CONTAINER	AMRAAM CONTAINER	0	N	N	398	N
	FA0	9B2Z00AMM1NMD		U	XX	AMRAAM MINOR (CL IV) MODS	AMRAAM MINOR (CL IV) MODS	0	N	B	398	N
	FA0	9B2Z00AMMAJMD		U	XX	AMRAAM MAJOR (CL V) MODS	AMRAAM MAJOR (CL V) MODS	0	N	N	398	N
	FA0	9B2Z00AMRASUP		U	XX	AMRAAM SUPPORT EQUIP	AMRAAM SUPPORT EQUIPMENT	0	N	D	398	N
	FA0	9B2Z00HUMDSUP		U	XX	SUPPORT EQUIPMENT, HUM	SUPPORT EQUIPMENT HUM-120A	1	N	D	999	N
	N21	9B2Z00LCHRM0D		U	XX	OTHER LAUNCHERS/MOD KITS	OTHER LAUNCHERS/MOD KITS	0	N	N	398	N
	FA0	9B2Z1N1TALSPT		U	XX	CONTRACTORAMRAAMINITALS	CONTRACTOR AMRAAM INITIAL	0	N	A	398	N
	FA0	HUMD1NGERMSL1		U	EA	MSL, HUMDINGER, HUM-120A	MISSILE, HUMDINGER, HUM-120A	1	Y	N	999	N

End of the Report



United States of America
Modification 1 to Letter of Offer and Acceptance
BN-D-YCY
Royal Humdinger

Based on (DISAM) Definitization Conference Minutes, dated 22 (continued on page 2)

Mail To: Embassy of Bandaria Office of the Air Attaché 1234 Massachusetts Ave, NW
Washington, DC 29999

Pursuant to the Arms Export and Control Act, the Government of the United States (USG) hereby notifies the purchaser of Modification to the Letter of Offer and Acceptance (LOA) identified above. All other terms and conditions of the LOA remain unchanged.

This Modification is for cost adjustments to the basic LOA for Line Items 007 and 999 based on agreements made at the Logistics and Training Definitization Conferences

Basic LOA accepted: 30 Sep 2004.

Estimated Cost: \$84,821,733

Terms of Sale:

Cash Prior to Delivery

Dependable Undertaking

Congressional Notification: 04-46

This Modification consists of page 1 through page 4.

The undersigned are authorized representatives of their Governments and hereby respectively furnish and acknowledge receipt of this Modification.

_____	<u>24 Feb 2005</u>	_____	_____
US Signature	Date	Purchaser Signature	Date
RALPH R. PUGSLEY		A.J. MALAISE, GOB, MIN OF FIN	
<u>DIRECTOR, CASE OPERATIONS</u>		<u>A.J. MALAISE, GOB, MIN OF FIN</u>	
Typed Name and Title		Typed Name and Title	
HQ AFSAC/CO		_____	
Implementing Agency		Agency	
<u>Not Required-Per SAMM</u>	<u>24 Feb 2005</u>		
DSCA	Date		

Customer reference continued: November 2004, Action Item 018.

This Modification provides notification of changes as follows:

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a)Unit (b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
<u>PREVIOUS</u>						
007 C7 47	B9A 9B9A00GMPARTS (N) GUIDED MISSILE PARTS COMPONENTS & PARTS FOR GM & GM SUPPORT EQUIPMENT	XX	\$2,121,000	X(1-60) TA4	Z	8
Includes Classified Components (Note(s) 7)						
<u>REVISED</u>						
007 C7 47	B9A 9B9A00GMPARTS (N) GUIDED MISSILE PARTS COMPONENTS & PARTS FOR GM & GM SUPPORT EQUIPMENT	XX	\$1,971,000	X(1-60) TA4	Z	8
Includes Classified Components Note(s) 7)						
<u>PREVIOUS</u>						
999 E1 88	N0O 00000FMSTRNG (N) TRAINING	XX	\$160,000	X(1-24) TA4	-	-
WSCN 9999/D399000 /Abbr Trng Plan (Undefined Training and Contractor Training Requirements) (Note(s) 14, 26, 34)						
<u>REVISED</u>						
999 E1 88	N0O 00000FMSTRNG (N) TRAINING	XX	\$310,000	X(1-24) TA4	-	-
WSCN 9999/D399000 /Abbr Trng Plan (Undefined Training and Contractor Training Requirements) (Note(s) 14, 26, 34)						

	Previous (B)	Revised
Subtotal Cost of Ordered Articles and Services	\$80,045,386	\$80,045,386
Case / Program Management	\$1,350,000	\$1,350,000

Estimated Cost Summary

(8) Net Estimated Cost	\$81,395,386	\$81,395,386
(9) Packing, Crating, and Handling	434	434
(10) Administrative Charge	2,001,135	2,001,135
(11) Transportation	1,433,309	1,424,778
(12) Other	0	0
(13) Total Estimated Cost	\$84,830,264	\$84,821,773

To assist in fiscal planning, the USG provides the following revised anticipated costs of this LOA:

ESTIMATED PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Quarterly</u>	<u>Cumulative</u>
Previous Payment Scheduled Date (15 Mar 2005)		\$1,336,934
Current USG Financial Requirements		\$1,336,934
Amount Received From Purchaser	\$1,336,934	
15 Jun 2005	\$159,924	\$1,496,858
15 Sep 2005	\$219,175	\$1,716,033
15 Dec 2005	\$284, 201	\$2,000,234
15 Mar 2006	\$322,198	\$2,322,432
15 Jun 2006	\$358,617	\$2681,049
15 Sep 2006	\$530,760	\$3,211,809
15 Dec 2006	\$1,651,240	\$4,863,049
15 Mar 2007	\$3,062,159	\$7,925,208
15 Jun 2007	\$4,435,481	\$12,360,689
15 Sep 2007	\$6,158,421	\$18,519,110

<u>Payment Date</u>	<u>Quarterly</u>	<u>Cumulative</u>
15 Dec 2007	\$8,395,612	\$26,914,722
15 Mar 2008	\$10,711,446	\$37,626,168
15 Jun 2008	\$12,195,343	\$49,821,511
15 Sep 2008	\$12,296,483	\$62,117,994
15 Dec 2008	\$10,472,710	\$72,590,704
15 Mar 2009	\$7,100,721	\$79,691,425
15 Jun 2009	\$3,794,803	\$83,486,228
15 Sep 2009	\$1,302,665	\$84,788,893
15 Dec 2009	\$23,037	\$84,811,930
15 Mar 2010	\$9,803	\$84,821,733

Signed Copy Distribution:

1. Upon acknowledgement of receipt, the Purchaser should return one signed copy of this Modification to Defense Finance and Accounting Service - Denver, ATTN: DFAS-ADY/DE, 6760 E. Irvington Place, Denver, CO 80279-2000.

2. One signed copy should be returned to Department of the Air Force, AFSAC/CO 1822 Van Patton Drive Building 210 WPAFB, OH 45433-5337.

Note 39. ADMINISTRATIVE SURCHARGE. (RESTATED).

An administrative surcharge of 2.5% has been applied to Lines(s) 001-010, 012-013 and 999.



United States of America
Amendment 1 to Letter of Offer and Acceptance
BN-D-YCY
Royal Humdinger

Based on (DISAM) Government of Bandaria, Air Force Letter dated December 5, 2004.

Mail To: Embassy of Bandaria Office of the Air Attaché 1234 Massachusetts Ave, NW
Washington, DC 29999.

Pursuant to the Arms Export and Control Act, the Government of the United States (USG) offers to amend the Letter of Offer and Acceptance (LOA) identified above for the purchase of defense articles, defense services, or both. Other provisions, terms and conditions of the original LOA remain unchanged.

This Amendment adds a Quality Assurance Team (QAT), revises Note 39 (Administrative Surcharges) and adds new Line Item Note 40 (Quality Assurance Team).
Basic LOA accepted: 30 Sep 2004.

Estimated Cost: \$85,006,233

Due with Amendment Acceptance: \$0

Terms of Sale:

Cash Prior to Delivery

Dependable Undertaking

Congressional Notification: 04-46

This offer expires on 20 June 2005. Unless a request for extension is made by the Purchaser and granted by the USG, the offer will terminate on the expiration date.

This Amendment consists of page 1 through page 4.

The undersigned are duly authorized representatives of their Governments and hereby respectively offer and accept this Amendment.

US Signature
HARRY A. DUDSTON
ACTING DIRECTOR, CASE OPERATIONS
Typed Name and Title

5 Apr 05
Date

HQ AFSAC/CO
Implementing Agency

Not Required-Per SAMM
DSCA

5 Apr 05
Date

Purchaser Signature
I.M. GOODY, Dep Min of Fin, GOB
Typed Name and Title

20 Jun 05
Date

Agency

Customer reference continued: November 2004, Action Item 018.

This Amendment provides notification of changes as follows:

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(a)Unit Total	(4) Costs (b)	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
<u>ADDED</u>							
014 D3 47	R4C 074200QUALSER (N) QUALITY ASSURANCE SERVICES	XX		\$180,000	S(58-60) TA3	-	-
	(Note(s) 40)						

	Previous (M1)	Revised
Subtotal Cost of Ordered Articles and Services	\$80,045,386	\$80,225,386
Case / Program Management	\$1,350,000	\$1,350,000
Estimated Cost Summary:		
(8) Net Estimated Cost	\$81,395,386	\$81,575,386
(9) Packing, Crating, and Handling	434	434
(10) Administrative Charge	2,001,135	2,005,635
(11) Transportation	1,424,778	1,424,778
(12) Other	0	0
(13) Total Estimated Cost	\$84,821,773	\$85,006,233

To assist in fiscal planning, the USG provides the following revised anticipated costs of this LOA:

ESTIMATED PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Quarterly</u>	<u>Cumulative</u>
Previous Payments Scheduled Date (15 Jun 2005)		\$1,496,858
Current USG Financial Requirements		\$1,496,858
Amount Received From Purchaser \$1,496,858		
Due with Amendment Acceptance	\$0	\$1,496,858
15 Sep 2005	\$159,623	\$1,656,481
15 Dec 2005	\$218,763	\$1,875,244
15 Mar 2006	\$283,666	\$2,158,910
15 Jun 2006	\$321,592	\$2,480,502
15 Sep 2006	\$357,943	\$2,838,445
15 Dec 2006	\$529,761	\$3,368,206
15 Mar 2007	\$1,648,134	\$5,016,340
15 Jun 2007	\$3,056,398	\$8,072,738
15 Sep 2007	\$4,427,138	\$12,499,876
15 Dec 2007	\$6,146,835	\$18,646,711
15 Mar 2008	\$8,379,819	\$27,026,530
15 Jun 2008	\$10,691,296	\$37,717,826
15 Sep 2008	\$12,172,402	\$49,980,228
15 Dec 2008	\$12,273,351	\$62,163,579
15 Mar 2009	\$10,453,009	\$72,616,588
15 Jun 2009	\$7,087,365	\$79,703,953
15 Sep 2009	\$3,848,204	\$83,552,157
15 Dec 2009	\$1,421,298	\$84,973,455
15 Mar 2010	\$22,994	\$8,996,449
15 Jun 2010	\$9,784	\$85,006,233

Signed Copy Distribution:

1. Upon acceptance, the Purchaser should return one signed copy of this Amendment to Defense Finance and Accounting Service - Denver, ATTN: DFAS-ADY/DE, 6760 E. Irvington Place, Denver, CO 80279-2000. Simultaneously, wire transfer of the initial deposit or amount due with acceptance of this Amendment (if required) should be made to financial institution identifier ABA# 021030004,

Treasury,00003801, Beneficiary: DFAS-ADY/DE Agency showing "Payment from Government of Bandaria for BN-D-YCY"; or a check for the initial deposit, made payable to the U.S. mailed to DFAS-ATDT/DE, P.O. Box 173659, Denver, CO 80217-3659, showing "Payment from Government of Bandaria for BN-D-YCY". Wire transfer is preferred.

2. One signed copy should be returned to Department of the Air Force, AFSAC/CO 1822 Van Patton Drive Building 210 WPAFB, OH 45433-5337.

Note 39. ADMINISTRATIVE SURCHARGE. (REVISED).

An administrative surcharge of 2.5% has been applied to Lines(s) 001-010, 012-014 and 999.

Note 40. LINE ITEM NOTE 014 QUALITY ASSURANCE TEAM (QAT) (ADDED).

This line provides for a team to be in-country when the final missiles are delivered. The team members will do quality checks, assist with necessary preoperational tests and checks, and help resolve problems. The team will consist of technically qualified specialists to assess physical and operational aspects of the materiel to demonstrate that it is according to terms of the LOA. The team is not required to conduct operator or maintenance training. The estimated costs cover travel, salary and related costs, and per diem cost of the team. The purchaser will be billed only for the costs incurred by the USG.

SELECTED FMS ACQUISITION CONTRACT CLAUSES

HUMDINGER MISSILES

MASID MISSILE CORPORATION

BACKGROUND:

System: HUM-120 A Humdinger Missiles (MASID Missile Corporation)

Kind and Type of Acquisition Contract: A systems acquisition involving different types of contracts within the main contract. Included are:

Fixed Price - (Major items)	Humdinger vehicles; Sections and warhead replacement instrumentation; Integrated Logistics Support.
Cost Reimbursement	Ammonium perchlorate
Time and Materials	Pre-operational support labor and materials; Technical Review and Coordination of Co-Producer's Class I and II changes and major requests for deviations and waivers.

CONTRACT CLAUSES:

A. INSPECTION AND ACCEPTANCE. In section E. Inspection and Acceptance.

1. NOTICE: The following solicitation provisions and/or contract clauses pertinent to this section are hereby incorporated by reference:

FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

<u>FAR Paragraph</u>	<u>Clause Title/Date</u>
52.246-2	Inspection of Supplies - Fixed Price (Aug 1996)
52.246-3	Inspection of Supplies - Cost-Reimbursement (Apr 1984)
52.246-6	Inspection - Time and Material and Labor-Hour (Jan 1986)
52.246-11	Higher-Level Contract Quality Requirement (Government Specification)
	(Feb 1999) ((b) Title and Number of Specification: Quality Program Requirements MIL-Q-9858A.
52.246-16	Responsibility for Supplies (Apr 1984)

2. PROCUREMENT QUALITY ASSURANCE (PQA)/INSPECTION AND ACCEPTANCE

a. The places for performance of PQA/Inspection and Acceptance are stated in alpha codes in "Site Codes" of Section B for each contract line or subline item. When DD form 1423 is used, PQA/Inspection and Acceptance will be specified in Block 7, and FOB point for Data shall be specified in Section B descriptive data for each Info CLIN/SubCLIN. The following instructions are provided to assist in interpretation of these codes: When PQA is coded "S" (Source), final inspection shall be accomplished by the DoD Contract Management Agency Component listed in DLA handbook 4105.4 as cognizant of the contractor's facilities at which the contract administration functions are required. When PQA is coded "D" (Destination), then final inspection shall be accomplished at destination. When acceptance is coded "S" acceptance shall be accomplished by the cognizant Contract Management Office (CMO). When acceptance is coded "D" acceptance shall be accomplished at destination.

b. Missiles Subject to PRAT. PQA Inspection and conditional acceptance (for billing purposes only) shall be accomplished at source by the cognizant DoD Contract Management Office (CMO) IAW applicable drawing/specifications and successful Final Assembly System Test (FAST). Final acceptance of these missiles shall occur upon successful completion of each PRAT subplot (i.e., those missiles delivered in the period prior to successful completion of PRAT subplot will receive final acceptance upon successful completion of PRAT subplot). The same sequence of events would then apply for subsequent PRAT sublots. In the case of rejection of any subplot, the acceptance shall be withheld pending a procuring activity decision in accordance with the requirements of SD-5011, Revision G, incorporated in the contract at Attachment 5. PRAT subplot testing shall be complete within 90 days of delivery of the last subplot missile sample to the PRAT testing location. SubCLINs subject to this provision are as identified in the contract.

c. HUMDINGER AIR VEHICLE INSTRUMENT (HAVI). PQA Inspection and Final Acceptance shall be accomplished at the source by the cognizant CMO IAW applicable drawings and specifications and successful FAST. Subject CLINs/SubCLINs are as specified in the contract.

At the SubCLIN prices specified herein, the Contractor warrants, for a period of 48 months from the date of acceptance, that the supplies delivered under SubCLINs specified in the contract, will successfully pass all tests necessary to complete missile integration under SubCLINs specified in the contract, and if an item fails to pass any given test, the Contractor will repair or replace such supplies in order to successfully complete missile integration. In the course of any necessary repair or replacement, the Contractor will treat the unit as work in process, and insure that the "As Built" records correctly identify the final missile configuration.

d. Captive Carry Reliability Vehicles (CCRV)/ Reconfigurations. PQA Inspection and Final Acceptance shall be accomplished by the cognizant CMO at the source IAW applicable drawings and specifications and successful FAST. Subject SubCLINs are specified in the contract.

e. Hardware/Repair/Spares. PQA Inspection and Final Acceptance shall be accomplished by the cognizant COA at the source IAW drawings/specifications and successful completion of acceptance testing at the highest level performed on the item. Subject CLINs/SubCLINs are as specified in the contract.

f. CLINs Accepted by Certification. PQA shall be accomplished by a letter of certification by the Contractor. Final acceptance of these items shall be accomplished by the PCO upon receipt of the Contractor's letter of completion and PCO verification of satisfactory completion of the work called for under each CLIN/SubCLIN. Subject CLINs/SubCLINs are as specified in the contract.

PQA and Final Acceptance of certain CLINs/SubCLINs specified in the contract, shall be accomplished by the ACO.

g. Time & Material SubCLINs. Hardware repaired under Time & Material SubCLINs shall have PQA Inspection and Final Acceptance by the cognizant CAO at the source IAW drawings/specifications and successful completion of acceptance testing at the highest level performed on the item. Subject SubCLINs are as identified in the contract. Certain other SubCLINs shall have PQA and Final Acceptance by the PCO upon verification of the Contractor's letter certifying successful completion of the work.

h. Warranty/Inventory Product Assurance Surveillance Program (SubCLINs for U.S. Air Force and FMS-Bandaria Missile Warranties.) Missiles rebuilt as a result of disassembly/re-assembly efforts called out in the Inventory Product Assurance Surveillance Program and Warranty shall be inspected/accepted IAW Paragraph 2.d of this section.

i. For billing purposes only, PQA/Inspection and Acceptance of SubCLINs identified in the contract shall occur by the local DoD cognizant contract administration office upon the acceptance of each missile delivered under certain SubCLINs identified in the contract.

j. Upon the Contractor's acceptance of missiles to be reconfigured, the Contractor assumes total responsibility of the missiles until they are reaccepted by the government in accordance with the provisions of the contract.

3. REQUIREMENTS FOR DATA ACCEPTANCE

The Contractor shall prepare and submit a periodic DD Form 250 on a quarterly basis collectively accounting for all completed Exhibit Line/SubCLIN Items which called for submission of the data by letter of transmittal. Each periodic DD Form 250 shall include a list and an account of all data submitted by letter of transmittal and approval by the Government during the reporting period.

B. WARRANTIES

Under Section D - Packaging and Marking.

1.ASSIGNMENT OF SERIAL NUMBERS FOR CONFIGURATION CONTROL AND ADMINISTRATION OF WARRANTIES.

The contractor shall assign serial numbers to the items as specified in the contract specification or statement of work (where applicable) or as otherwise indicated herein. The serial numbers assigned shall have a 10 digit field, with the first five digits containing the Federal Supply Code for Manufacturers and the last five digits assigned in sequence. Records of serial numbers assigned shall be maintained by the contractor and the contractor shall annotate the applicable serial numbers on the Material Inspection and Receiving Report (DD Form 250) submitted for Government inspection and acceptance of the delivered items.

2. MARKING REQUIREMENTS FOR WARRANTED ITEMS.

In addition to the requirements of MIL-STD-129, items covered by warranty shall be marked as follows or the following notice shall be provided on the DD Form 250:

- a. A brief statement that a warranty exists;
- b. The substance of the warranty;
- c. Warranty duration;
- d. Who to notify if the supplies are found to be defective; and
- e. Time period in which notice of a defect must be provided to the Contractor.

Under Section H - Special Contract Requirements:

HUMDINGER WEAPON SYSTEM WARRANTY UNDER 10 U.S.C. 2403. (Abridged and Modified)

This warranty applies to supplies delivered under the CLINs and SubCLINs of this contract as identified in paragraph (A)(3) below. The matrix below shows which paragraphs and subparagraphs in the Warranty apply to each SubCLIN identified in paragraph (A)(3).

Paragraph

		A	B	C	D	E
SubClin	All other SubCLINs listed in para A.(3) below.	ALL	B(1) - B(3)	C(1) - C(3)	ALL	ALL
	Missile Reconfiguration – Reliability Test Vehicle to HUM-120A Air Vehicle	ALL	B(1) - B(2)	C(1) - C(2)	ALL	ALL

A. DEFINITIONS

(1) Acceptance. “Acceptance” means acceptance by the Government as manifested by execution of the “Acceptance” block and signing of the initial requisite DD Form 250 by an authorized Government representative. For the purposes of this provision, acceptance does not include conditional acceptance.

(2) Date of Return to the Contractor. As used herein, this term means the date shown on the applicable form maintained by the contractor to indicate logging in or receipt of supplies to be repaired by the contractor.

(3) Supplies. The term “supplies” or “item of supply” as used herein, means each HUM-120A missile as well as each level of assembly and component thereof, delivered under line items as follows:

<u>CLIN/SubCLIN</u>	<u>DESCRIPTION</u>	<u>LOT</u>
As stated in Contract	Assembled Humdinger Air Vehicles (AF)	1
	Assembled Humdinger Air Vehicles (Navy)	1
	Preoperational Support Spares (AF)	1
	Preoperational Support Spares (Navy)	1
	Initial Expense Spares	1
	Initial Investment Spares	1
	Reconfigurations (CCRV-HAVI)	1
	Reconfigurations (RTF-HAVI)	1
	Guidance Sections (AF)	2
	Control Sections (AF)	2
	Guidance Sections (Navy)	2
	Control Sections (Navy)	2
	Assembled Humdinger Air Vehicles (Bandaria)	2

(4) Price. The term “price” as used herein, means the firm fixed price for this contract which includes the firm fixed price of the warranty.

(5) Government Mishandling. The phrase “Government Mishandling” refers to Government shipping, handling, use or repair of supplies in conflict with approved Government Technical Orders.

(6) Repair. As used within this warranty, “repair” is defined as work and material necessary to cause any failed supplies to meet the requirements of this contract. Repair, as such, includes replacement of failed supplies with supplies conforming to the requirements of this contract.

(7) Defect/Failure. This is a deficiency identified in any one item of supply specified in A.(3) above which is observed, detected, or otherwise identified as not compliant with the requirements of this contract including the specifications.

(8) Design and Manufacturing Requirements. The phrase “design and manufacturing requirements” refers to structural and engineering plans, manufacturing particulars, including precise measurements, tolerances, materials, and finished product tests as required to manufacture and accept

warranted supplies in accordance with the production baseline in effect at the time of acceptance of such warranted supplies.

(9) Correction. The term "correction" is defined as the successful redesign/repair of an item of supply containing a defect/failure.

(10) Materials and Workmanship. The phrase "materials and workmanship" refers to the conformance of production workmanship and materials to the requirements of this contract.

(11) Trend. As used within this warranty, a trend is defined as two or more occurrences of the same failure in the same section, assembly, subassembly, component or piece part and at the same level of indenture in the missile.

(12) Warranty Review Board. As used within this warranty, the term "Warranty Review Board" (WRB) means a quarterly meeting of functional personnel from the Air Force, Navy and Contractor convened to discuss and assess results of storage and captive flight assessments of the Essential Performance Warranty paragraph B.(3) and claims under paragraphs B.(1) and B.(2). The WRB will make recommendations to the contracting officer as to claims and invocations of remedies. ASC/YM or the designated representative will chair the WRB.

B. SPECIFIC WARRANTIES

(1) Design and Manufacturing Conformance (DMC) Warranty. The contractor hereby warrants that, at the time of acceptance, the supplies conform to the design and manufacturing requirements of this contract. Defects discovered within a period of 48 months from the date of initial acceptance of each deliverable item of supply may be submitted to the contractor in accordance with the remedies section of this warranty.

(2) Defects in Workmanship and Materials (DWM) Warranty. The contractor hereby warrants that, at the time of acceptance, the supplies are free of defects in workmanship and materials. Defects discovered within a period of 48 months from the date of initial acceptance of each deliverable item of supply may be submitted to the contractor in accordance with the remedies section of this warranty.

(3) Essential Performance Warranty. The contractor hereby warrants that the missiles delivered under the SubCLINs of paragraph A.(3) will conform to the essential performance described below. Supplies which are not Humdinger Air Vehicles are only subject to the assessments described in B.(3)(a) and B.(3)(b) when incorporated in an HAV. Each of the two assessments will be conducted once using Lot 1 missiles and using Lot 2 missiles. NOTE: RTVs reconfigured to HAVs under SubCLINs for missile reconfiguration and for option missile reconfiguration shall not be used for essential performance assessments.

(a) Long Term Storage (LTS). The contractor warrants that missiles placed in storage will not degrade at a rate exceeding 4 percent per year. . .

3. Failure assessment will be based on the first FAST a missile receives after being withdrawn from storage. Contractor performance will be assessed quarterly at Warranty Review Board meetings, beginning 6 months after delivery of the last item of supply delivered under SubCLIN (Lot 1) and for Option for Assembled Humdinger Air Vehicle (Lot 2) and continuing for 24 additional months.

4. A missile, once removed from storage and tested, may not be replaced in storage, removed and tested again for purposes of the storage portion of this performance warranty.

5. Six (6) storage missiles, identified by the Government, shall be disassembled by the Contractor within 30 days of receipt to allow Government testing of the following one shot devices:

propulsion unit (including the arm/fire device), warhead (including safe and arm and boosters), batteries (each type), Thermally Initiated Venting System (TIVS) or equivalent, and fin squibs. . .

6. Upon removal of the one-shot device described in 5. above, the contractor shall reassemble the missiles using contractor furnished replacement parts, then retest the assembled missiles with 45 days after receipt of the contractor furnished parts on the FACO test station prior to return to inventory. Acceptance by the Government of reassembled missiles described in this paragraph shall be IAW with Section E of the production contract.

7. The Government testing of the one-shot devices may be witnessed by the contractor, and results of the testing will be provided to the contractor upon request. A failure of any on-shot device to perform in accordance with this contract, including the specifications, is subject to this warranty. Each failure of a one-shot device will be counted and accumulated as a defect/failure under the storage assessment portion of this essential performance warranty and will be used during determination of a trend.

(b) Captive Carry Mean Time Between Maintenance (MTBM) Verification: The Contractor hereby warrants that the supplies will meet the requirements defined below. Only supplies delivered under certain CLINs identified in the contract will be used for this test; however, the results of this test and any remedies the Government may invoke, shall apply to all items delivered under the CLINs and subCLINs identified in Paragraph A.(3).

1. A quantity of missiles will be committed to a carrier deployment. A limited number of missiles will be designated as captive carry missiles and the remainder will be placed in storage aboard the ship . . . The maximum number of missile flight hours incurred for test purposes will be 4500 . . .

2. The cumulative MTBM shall not be less than 450 hours at completion of the deployment. A failure is defined, in this paragraph, as an on-aircraft Built-in-Test (BiT) failure verified by a second on-aircraft BiT failure on a different station of the same aircraft or a different aircraft and subsequently verified by failure of the FAST at a Naval Weapons Station or factory facility.

3. Computation of the cumulative MTBM shall include all failures incurred during the deployment including pre- and post-flight testing; but, shall not include failures found in pre-cruise test/inspection. The MTBM shall be computed using the following formula:

$$\text{MTBM} = \frac{\text{Total Missiles Flight Hours (all missiles)}}{\text{Total Failures (all missiles)}}$$

4. The required MTBM is 750 hours, which will be used to compute a number of failures allowed during this test. The formula to be used is:

$$\text{Allowed Failures} = \frac{\text{Total Missile Flight Hours (all missiles)}}{750}$$

The allowed failures shall be computed after the cruise and shall be used to determine the contractor's repair requirements under paragraph c.(3)(b) below. This figure shall be rounded to the next higher integer.

C. REMEDIES

(1) General

(a) The remedies described in paragraph C.(2) and C.(3) below apply to all supplies (AF, Navy and Bandaria) delivered under the CLINs and SubCLINs identified in paragraph A.(3) regardless of the CLIN or SubCLIN under which test missiles were delivered.

(b) The rights and remedies of the government provided in this warranty shall survive final payment.

(c) In no event shall the Government be responsible for any extension or delays in the scheduled deliveries or period of performance under this contract as a result of the contractor's obligation to correct defects/failures, nor shall there be any adjustment of the delivery schedule or period of performance as a result of the correction of failures/defects unless provided by a supplemental agreement with adequate consideration.

(d) The rights and remedies of the Government provided in this clause are in addition to, and do not limit, any rights the Government may have under any other clause of this contract and any other contract. Disputes arising under this clause will be resolved in accordance with the clause of this contract entitled "Disputes."

(e) The rights and remedies of the Government provided in this warranty shall not be affected in any way by any terms or conditions of this contract concerning the conclusiveness of inspection and acceptance.

(f) Corrections by the contractor shall be demonstrated by the corrected item of supply passing all required acceptance test procedures prior to being returned to the Government.

(2) DMC (Design and Manufacturing Conformance) and DWM (Defects in Workmanship and Materials) Remedies

(a) The Contracting Officer shall notify the contractor of defects/failures the Government intends to claim under B.(1) for DMC and B.(2) for DWM of this clause. The contractor shall promptly correct the defects/failures notwithstanding any disagreement as to whether or not the defects/failures are covered under this warranty. The contractor shall notify the Contracting Officer within 15 days after date of return to the contractor of any instance in which the contractor considers that the repair to the contractor of any instance in which the contractor considers that the repair is not required to be performed pursuant to this warranty. The Contracting Officer will evaluate circumstances and/or data regarding the contractor request, will request additional information be supplied if required, and will concur or nonconcur. If the Contracting Officer concurs that the defect/failure was not subject to warranty as set forth in this clause, the contractor shall be entitled to equitable adjustment in the contract price for the work performed, including all transportation costs.

(b) If the contractor provides a notice of refusal or the contractor and Government fail to agree upon a corrective action plan and/or contractual consideration, the Contracting Officer may by contract or otherwise:

1. Correct the supplies or services, or
2. Replace the supplies or services, and/or
3. Obtain applicable data or reports, and
4. Charge the contractor for all costs reasonably incurred by the Government in taking necessary corrective action which resulted from the contractor's breach or failure to comply with this warranty.

(3) Essential Performance Remedies

(a) If the number of defects/failures for the storage or captive carry assessments exceeds the total allowable failures for that assessment, the contractor shall repair all missiles which have failed over and above the allowed failures at no increase in contract price. This remedy shall be invoked at a

quarterly WRB meeting but in no event later than 180 days after the assessment is complete. The contractor shall not be charged more than once for each excess failure.

(b) If the supplies fail to pass the storage and/or captive carry performance assessments and a trend exists in the failure data of the failed assessment, the Contracting Officer has the right to direct and require the contractor to initiate and/or accomplish ECPs or other actions which result in a modification of design, test procedures, or other change to this contract which will result in an acceptable, compliant reduction in defects/failures relative to this warranty. This directed action, which may include redesign, repair, replacement, retrofit, revision of data/software, and associated labor, materials and overhead for implementation in all Lot 1 or optional Lot 2 missiles will be accomplished by the contractor at no increase in contract price. This no-cost ECP will be directed if, and only if, a trend can be identified in Lot 1 or Lot 2 missiles based on failure data collected during storage or Captive Carry tests assessments as described in para B.(3). A no-cost ECP will not be directed based on a single failure. The government may not invoke this remedy later than 180 days after the assessments have been completed. A no-cost ECP will not be directed at MASID with respect to missile operational flight program software redesign, coding, checkout and testing.

(c) In addition to (b) above, the contractor may desire, or the Government may otherwise require, the submission and approval of an Engineering Change Proposal or other action at Government expense which results in a modification of the design, test procedures or other change to this contract which is expected to reduce the number of defects/failures relative to this warranty (i.e., improve the reliability over that required by this contract). In this event, the proposal and negotiation of this ECP or other contract modification shall include consideration to the Government for the contractor's reduced repair costs which otherwise be expected pursuant to this warranty.

D. CONTRACTOR OBLIGATIONS

(1) The contractor shall correct all defects/failures in items of supply which are warranted by the Materials and Workmanship Warranty, the Design and Manufacturing Warranty, or the Essential Performance Requirements Warranty subject to the Exclusions and Limitations of this Warranty. The items of supply shall be corrected at no increase in contract price.

(2) Any supplies or parts thereof corrected or furnished in replacement and any services re-performed shall also be subject to the conditions of this clause to the same extent as supplies or services initially accepted. Replacement supplies and services assume the remainder of the original warranty duration set forth in paragraph B of this clause and shall begin on the date the replacement supplies or services are received by the Government as evidenced by shipping documentation.

(3) The contractor shall prepare and furnish to the government data and reports applicable to any corrective action required (including revision and update of all affected data called for under this contract) at no increase in the contract price (UDI-T-21244A, DI-MISC-80733).

(4) For items of supply repaired pursuant to this warranty, the contractor shall, within 90 days after the date of return to the contractor, return the repaired item(s) to the Government. The date of return to the Government is the date the item is ready for shipment, validated by appropriate shipping documentation.

(5) Except for items which cannot be effectively marked, all warranted items to be delivered shall be marked IAW MIL-STD-129, Marking for Shipments and Storage, and MIL-STD-130, Identification Marking of U.S. Military Property. Markings shall be located in a manner so as to be conspicuous to the person removing the item from service. The period of the warranty and disposition instructions shall be specifically stated.

(6) The contractor shall package and handle warranted items according to the levels of protection specified in MIL-STD-2073-1, Standard Practice For Military Packaging or as specified in Government approved special packaging instruction.

(7) As specified in DFAR Supplement 246.702, the contractor's actual incurred costs relative to this warranty shall be reported either as part of a periodically required cost report or as a separate cost report data item in the contractors format. (DI-MISC-80733). Costs associated with this clause shall be segregated from any and all other costs associated with this contract.

(8) The contractor shall provide failure analysis reports for all items of supply for which correction is required pursuant to this warranty.

(9) The contractor shall identify and quantify all impacts to warranty coverage related to proposed waivers, deviations and engineering change proposals for all supplies to delivered under this contract. The contractor shall provide such impacts to accompany each request for waiver, deviation and engineering change proposal submitted for Government approval.

E. EXCLUSION AND LIMITATIONS

(1) With respect to Government Furnished Property (GFP), the contractor warranty shall extend only to proper installation. If the contractor performs modification or other work on GFP provided, the warranty shall extend to the modification or other work.

(2) When items covered under this warranty are returned to the contractor, pursuant to this clause, the Government will bear only transportation costs from the place the defect/failure was discovered to the contractor's plant and return. Assets are to be shipped on Second Destination Transportation (SDT) funds via a mode that will ensure delivery to the final destination within the time frames of the Uniform Material Movement and Issue Priority Systems (UMMIPS). Requests by the Government to amend the original disposition instructions or to expedite movement of assets will be processed in writing through the Administrative Contracting Officer.

(3) The contractor shall not be obligated to correct or replace any supply item under the provisions of this warranty if the Contracting Officer determines that the failure/defect, loss, or damage occurred due to (1) operation, maintenance, repair or modification not in accordance with Technical orders; (2) misuse; (3) abuse; (4) use of spare parts not manufactured to Government specifications; (5) combat damage; (6) acts of God; or (7) damage by fire or explosion unless the contractor's negligence contributed thereto. The Government's rights and remedies under this clause shall not be voided or otherwise altered by any Government installation, operation or maintenance accomplished in accordance with Government approved procedures.

(4) The warranty provisions of this clause do not cover liability for loss, damage, or injury to third parties or consequential claims.

(5) For purposes of counting and accumulating defects/failures in the Long Term Storage (LTS) verification, a count of one defect shall be assigned for each missile and to each one-shot device even if more than one defect/failure is observed, detected or otherwise identified on any one item of supply as a specific time. However, each defect/failure discovered may be use in determining whether a trend exists.

(6) The contractor's warranties under this clause shall apply only to those defects discovered either by the Government or contractor during the time periods specified in paragraphs B.(1) and B.(2) and/or within 12 months following completion of the assessments specified in paragraph B.(3).

[END OF CLAUSE]

C. INSURANCE REQUIREMENTS

The contractor and any subcontractor doing work under this contract will be required to submit a certificate of insurance or written statement attesting to the existence of Workmen's Compensation and Employer's Liability Insurance with a minimum amount of \$100,000; Comprehensive General Liability Insurance with a comprehensive form of coverage for at least \$500,000 per occurrence; Comprehensive Automobile Liability Insurance with a minimum amount of \$200,000/person, \$500,000/accident for bodily injury and \$20,000/accident for property damage.

D. TECHNICAL DIRECTION

a. Technical direction under this contract will be given to the Contractor by the Contracting Officer, ASC/YMK Eglin AFB. Technical direction is defined as that process by which the Contractor receives guidance and approvals in his technical effort as it relates to an element of work or task solely within the existing requirements of the contract as a result of technical review of the Contractor's work by Humdinger JSPO personnel.

b. Notwithstanding any of the terms contained herein or elsewhere in this contract, Humdinger JSPO personnel are not authorized to direct the Contractor in any manner to change the requirements of the contract. The Contracting Officer shall be the only individual authorized to redirect the effort or in any way amend any of the terms of this contract. Such redirection or amendment of contract terms shall be accomplished by issuance of change orders or supplemental agreements to this contract signed by the Contracting Officer. In any event, if the Contractor believes technical direction given involves change in contractual requirements, he will immediately notify the Contracting Officer pursuant to FAR 52.243-7, "Notification of Changes", incorporated by reference in Section I of this contract.

c. All references in SOW and CDRL to "Sponsor Approval", "Sponsor Direction", etc., are deemed to be "Technical Direction" as stated in a. and b. above.

E. FOREIGN SOURCES

In the event that the Contractor anticipates soliciting foreign sources for any work under this contract, the Contractor shall notify the Contracting Officer (CO) 10 working days before either applying for an export license under International Traffic in Arms Regulation (ITAR), 22 CFR Sections 120-130, or before solicitation of the foreign sources, whichever shall occur first. This notification shall include detailed description of the Government data/equipment to be exported and a copy of the application for an export license, if such application has been made. This notification to the CO shall not be construed as an application for an export license, nor shall it in any way be interpreted to impede the Contractor's right to apply for an export license. However, if the CO disagrees with the application, the Contractor will be so notified.

F. FOREIGN NATIONALS

(a) For purposes of this clause, foreign nationals are all persons not citizens of, or immigrant aliens to, the United States. Nothing in this clause is intended to waive any requirement imposed by any other U.S. government agency with respect to employment of foreign nationals or export control.

(b) The Contractor acknowledges that equipment/technical data generated or delivered in performance of this contract is controlled by the International Traffic in Arms Regulation (ITAR) 22 CFR Sections 120-130, and may require an export license before assigning any foreign national to perform work under this contract or before granting access to foreign national to any equipment/technical data generated or delivered in performance of this contract (See 22 CFR Section 125.03 in this regard). The Contractor agrees to notify the Contracting Officer (CO) 10 working days prior to assigning or granting access to any work, equipment or technical data generated or delivered in performance of this contract.

This notification will include the name and country of origin of the foreign national, the specific work, equipment or data to which the person will have access, and whether the foreign national is cleared to have access to technical data (Reference: DoD 5220.22-M, National Industrial Security Program Operating Manual).

G. CONTRACT ADMINISTRATION

Overall contract administration of this contract shall be performed by the primary contract administration office (FAR 42.202 and 42.302) designated on the face of this contract. However, the portions of this contract performed at a different location, geographical area or military installation will be administered by the cognizant contract administration activity listed in DLA Handbook 4105.4 having cognizance over the facility or installation at which the work will be performed. The primary contract administration office will request supporting contract administration as contemplated by FAR 42.202(a) for required functions to assure continuity of the contract administration functions.

H. TIME AND MATERIAL AND LABOR-HOUR REQUIREMENTS (CLINs/SubCLINs as stated in the contract.) (Example of the control and verification conditions imposed on contractors by U.S. Government that financially benefit FMS customers.)

(a) Ceiling

The contractor shall provide no more labor hours for each SubCLIN that the ceiling price for that SubCLIN permits using the specified price/hourly rate (which includes indirect costs, general and administrative expenses, and profit) and the necessary materials at no more than the estimated cost exclusive of profit or fee. The engineering labor hours provided shall be exclusive of vacation, sick leave, holiday hours, and travel.

(b) Verification of Labor Hours, Considerations and Payment

(1) The contractor shall provide to the PCO and ACO spending projections based on period of performance, incremented in months, by CLIN/SubCLIN one month prior to the first missile delivery and monthly updates thereafter. This shall reflect spending projections (labor hours, material), actuals (labor hours, material dollars) and remarks as to significant deviations from the plan versus actuals.

(2) To support payment for work performed under Section B above, the invoice(s) submitted therefore shall include a certification by the Contractor stating that the number of labor hours set forth therein was the actual number of labor hours by labor code by SubCLIN expended during the period for which the invoices were submitted. The invoice(s) will be submitted to the Administrative Contracting officer (ACO) in accordance with FAR 52.232-7(a). The documentation required to support requests for reimbursement . . .

(3) Upon completion of the performance of the work called for in Section B above, the Contracting Officer shall have the right to examine the contractor's records for the purpose of verifying the number of labor hours and materials used in the performance of the work . . .

c. Recoupment of Unexpended Hours/Dollars . . .

d. Labor Hour Defined . . .

e. Materials . . .

f. Excess hours . . .

[No payment of more than 40 hours per week for a single employee without the advance written consent of the Contracting Officer.]

I. INTELLECTUAL – PROPRIETARY RIGHTS

1. Royalties or Other Licensing Fees

The Government recognizes that it has received a proposal transmitted by Hughes Letter 91(5A)000535/G9570 separate from the Lot 1/2 proposal requesting that the price for FMS missiles include a premium for intellectual property allegedly not acquired by the Government. In the event that this position or a claim based on substantially the same entitlement results in the award of such a premium or any licensing fees to the Contractor, this contract shall be modified to include it. As of 14 Dec 97, a determination of entitlement has not been made, nor has a determination been made regarding the form of compensation, if due. Any payment or risk of payment of compensation to Hughes based upon said claim of entitlement will not be considered by the Government in the competitive evaluation of Lot 1/2 prices for Lot 1 award. This clause has no bearing on any subcontractor claims for royalties or license fees.

2. Rights in Technical Data and Computer Software

As prescribed in DFARS 52.227-14, Identification of Rights in Technical Data, the Contractor has provided a list of limited/restricted rights and data (documentation) delivering exceptions (Attachment 6). This listing is intended to facilitate acceptance of the technical data and computer software by the Government and does not change, waive, or otherwise modify the rights or obligations of the parties under the clause .

3. Use of Transferred Proprietary Data

a. MASID Company and its subcontractor of any tier may use such Hughes Proprietary data which the Government or Hughes has made or makes available to MASID for the manufacture, production, maintenance, repair, modification, and sale and the preparation of proposals therefore, of any item, component, process or software for the HUM-120A or HUM-120B Missile (including substantially similar substitutes and successor thereto) for actual or potential contracts with the U.S. government and any tooling and test and other equipment related thereto. Such Hughes proprietary data may also be used for technical analysis of the procurement data package and list and associated data for MASID's technical assistance to its subcontractor for the above listed purposes. This provision shall not apply to proprietary data for the Traveling Wave Tube which is the subject of a separate license agreement.

b. Hughes Aircraft Company and its subcontractors of any tier may use such MASID proprietary data which the Government or MASID has made or makes available to Hughes for the manufacture, production, maintenance, repair, modification, and sale, and the preparation of proposals therefore, of any item, component, process or software for the HUM-120A or HUM-120B Missile (including substantially similar substitutes and successors thereto) for actual or potential contracts with the U.S. government and any tooling and test and other equipment related thereto. Such MASID proprietary data may also be used for technical analysis of the procurement data package and list and associated data for Hughes' technical assistance to its subcontractor for the above listed purposes.

c. MASID, for itself and/or its subcontractors, and Hughes, for itself and/or its subcontractors, shall negotiate and maintain in writing any agreement to protect such proprietary data.

J. RECOUPMENT OF NONRECURRING COSTS NOTE: THIS CLAUSE IS OBSOLETE and

(a) Definitions

it will be deleted in the next edition of the

As used in this clause:

DISAM "Greenbook")

(1) "Major defense equipment" means any item of significant military equipment on the United States Munitions List that has a nonrecurring research, development, test, and evaluation cost of more than \$50 million or a total production cost of more than \$200 million, as determined in accordance with DoD Directive 2140.2, Recoupment of Nonrecurring Costs (NC) on Sales or Licensing of U.S. Items.

(2) "Nonrecurring costs" means "nonrecurring production costs" and "nonrecurring research, development, test, and evaluation costs" as defined in DoD Directive 2140.2 and generally includes costs funded by a Department of Defense (DoD) RDT&E appropriation or one-time production costs, funded by a DoD procurement or other appropriation, such as preproduction engineering, rate and special tooling, special test equipment, production engineering, product improvement, destructive testing, and pilot model production, testing, and evaluation.

(b) The Contractor agrees to pay to the Government nonrecurring cost recoupment charges, determined in accordance with DoD directive 2140.2, Recoupment of Nonrecurring Costs (NC) on Sales or Licensing of U.S. Items, in effect on the date this contract is executed by the Contracting Officer, when the Contractor or its subcontractor:

(1) Sells to a non-U.S. government purchaser for military use major defense equipment of the type developed or produced under this contract; or

(2) Licenses others to produce for military purposes major defense equipment of the type developed or produced under this contract.

No such payment will be required if payment is waived in accordance with DoD Directive 2140.2.

(c) The Contractor shall:

(1) Before entering into any sale, co production agreement, license to produce, technical assistance agreement, or other transfer or rental agreement for major defense equipment of the type developed or produced under this contract, contact the appropriate Department of Defense (DoD) focal point to determine the recoupment charge applied to such equipment.

(2) Within 30 days after entering into any sale or agreement of the type in paragraph (c)(1) of this clause, provide a notification to the appropriate DoD focal point to include:

- (i) Brief description of the major defense equipment;
- (ii) Name and address of the purchaser;
- (iii) Whether the equipment or technology is to be used for a non military purpose;
- (iv) Quantity;
- (v) Delivery schedule;
- (vi) Identification of the U.S. government export license, if applicable; and
- (vii) Recoupment charges identified by the DoD focal point.

(3) Within 30 days after delivery to or acceptance of the equipment by the purchaser, whichever comes first, pay the recoupment charges to the office specified by the DoD focal point.

(4) Within 60 calendar days after the end of each calendar year in which payment of a recoupment charge was due, submit the following certification to the DoD focal point.

Recoupment of Nonrecurring Costs Certification

I hereby certify that, to the best of my knowledge and belief, all notifications required by the Recoupment of Nonrecurring Costs clause of contract _____ have been provided and are accurate, complete, and current as of the end of calendar year _____.

Contractor _____

Signature _____

Title _____

Date _____

(d) In the event of a sale of equipment subject to a recoupment charge, the Contractor agrees to relieve the Government of any and all loss of liability that might result from the use of Government data, tooling, test equipment, or facilities.

(e) The Contractor shall include this clause, including this paragraph (e), in all subcontracts of \$10 million or more.

FMS QUARTERLY REQUISITION REPORT
1 January 2005 - 31 March 2005

COUNTRY: BANDARIA
PREPARED BY: AFSAC

REP 1-3	REP 4-6	NSN	ITEM DESCRIPTION	UI	QTY	DOCUMENT NUMBER	DEM	SUPADD	PROJ/ESD	PRI	RDD/TRANS	ADVICE/STATUS	UNIT COST	SUPPLY/SHIP STATUS
RP 1-3	RP 4-6	NSN	DESCRIPTION	RP 23-24	RP 25-29	RP 30-43	RP 44	RP 45-50	RP 57-59	RP 60-61	RP 62-64	RP 65-68	RP 70-80	RP 82-90
AE1	S91	2830-00-626-9083	TURBINE, WATER	EA	00001	DBNL5321683210		DA3RWR		13	4283	CK		
AF1	FNH	5330-00-222-9896	GASKET, SILICONE	EA	00025	DBNK5142263004	R	DA2KCJ		03	555	2G		
AE1	FNH	5330-00-222-9896	GASKET, SILICONE	EA	00025	DBNK5142263004	R	DA2KCJ		03	4270	BF		
AE1	FNH	1560-00-919-9141	AIRFRAME, MULT-ENGINE	EA	00002	DBNK4542663014		DZ2QQR		13	4183	BC	\$47,650.00	5180 (RP 70-73)
A02	FNH	P678QWR3	WIRE, NON ELECTRICAL	RO	00010	DBNL5341863022	N	DA3RWR		13				
AE1	FNH	9505-00-423-6789	WIRE, CABLE, NONELECTR	RL	00010	DBNL5341863022		DA3RWR		13	4191	BG	\$31,267.00	
AE1	S91	9505-00-423-6789	WIRE, CABLE, NONELECTR	RL	00010	DBNL5341863022		DA3RWR		13	4206	BJ	\$199.95	
AE1	FNH	5150-01-027-8418	TOOL KIT, AVONICS SYS	EA	00003	DBNK5341991001	N	DA2RCA		13	4216	BW	\$2,120.00	
AE1	FNH	5150-01-027-8418	TOOL KIT, AVONICS SYS	EA	00001	DBNK5341991001		DA2RCA		13	4225	BB		
AE1	FGZ	5150-01-027-8418	TOOL KIT, AVONICS SYS	EA	00002	DBNK5341991001		DA2RCA		13	4230	CS		
AE1	FGZ	5150-01-027-8418	TOOL KIT, AVONICS SYS	EA	00001	DBNK5341991001		DA2RCA		13	4356	BA		
AS1	FGZ	5150-01-027-8418	TOOL KIT, AVONICS SYS	EA	00001	DBNK5341991001		DA2RCA	365	13	4365			BNK544191001/AXX365
A01	FNH	9150-00-145-0161	GREASE, AIRCRAFT	TU	00020	DBNK5341991002	N	DA2RCA		06		2G	\$9.05	
AE1	FNH	9150-00-145-0161	GREASE, AIRCRAFT	TU	00020	DBNK5341991002		DA2RCA		06	4216	BW		
AE1	S9G	9150-00-145-0161	GREASE, AIRCRAFT	TU	00020	DBNK5341991002	N	DA2RCA		06	4255	?		
AE1	S9G	9150-00-145-0161	GREASE, AIRCRAFT	TU	00020	DBNK5341991002	N	DA2RCA		06	4300	2G	\$9.05	
AE1	S9G	9150-00-145-0161	GREASE, AIRCRAFT	TU	00020	DBNK5341991002		DA2RCA		06	4283	BB		
AE1	S9G	9150-00-145-0161	GREASE, AIRCRAFT	TU	00020	DBNK5341991002		DA2RCA		03	555	2C		
AE1	S9G	9150-00-145-0161	GREASE, AIRCRAFT	TU	00011	DBNK5341991002	A	DA2RCA		03	4271	BA		
AE1	S9G	9150-00-145-0161	GREASE, AIRCRAFT	TU	00009	DBNK5341991002	B	DA2RCA		03	4271	BQ		
AS1	S9G	9150-00-145-0161	GREASE, AIRCRAFT	TU	00011	DBNK5341991002	A	DA2RCA	272	03	4273			J273 (RP 77-80)
A01	FNH	4935-01-298-9718	TEST SET, GUIDED MISSILE	EA	00002	DBNC5443197001	N	DZ3YCY		06		BU	\$90,000.00	
AE1	FNH	4935-01-298-9718	TEST SET, GUIDED MISSILE	EA	00002	DBNC5443197001		DZ3YCY		06	4322	BU		
AE1	FGZ	4935-01-298-9718	TEST SET, GUIDED MISSILE	EA	00002	DBNC5443197001		DZ3YCY		06	4328	BB		
AE1	FGZ	4935-01-298-9718	TEST SET, GUIDED MISSILE	EA	00002	DBNC5443197001		DZ3YCY		06	4339	BB		
AE1	FGZ	4935-01-298-9718	TEST SET, GUIDED MISSILE	EA	00002	DBNC5443197001		DZ3YCY		06	4345	BK		
AE1	FGZ	4935-01-153-2264	TEST SET, GUIDED MISSILE	EA	00002	DBNC5443197001		DZ2TCY		06	4353	BH		
AE1	FGZ	4935-01-153-2264	TEST SET, GUIDED MISSILE	EA	00002	DBNC5443197001		DZ2TCY		06	4360	BZ	\$87,599.00	
AE1	FGZ	4935-01-153-2264	TEST SET, GUIDED MISSILE	EA	00002	DBNC5443197001		DZ2TCY		06	5005	B7		
A01	FNH	6920-01-161-5728	GUIDANCE SECTION, MSL	EA	00001	DBNC5443197002	N	DA2YCY		06		2B	\$95,359.00	
AE1	FNH	6920-01-161-5728	GUIDANCE SECTION, MSL	EA	00001	DBNC5443197002		DA2YCY		06	4322	BU		
AE1	FGZ	6920-01-161-5728	GUIDANCE SECTION, MSL	EA	00001	DBNC5443197002		DA2YCY		06	4335	BD		
AE1	FGZ	6920-01-161-5728	GUIDANCE SECTION, MSL	EA	00001	DBNC5443197002		DA2YCY		06	4340	BV		
AE1	S0B	6920-01-161-5728	GUIDANCE SECTION, MSL	EA	00001	DBNC5443197002		DA2YCY		06	4345	BA		
AS1	S0B	6920-01-161-5728	GUIDANCE SECTION, MSL	EA	00001	DBNC5443197002		DA2YCY	351	06	4351			BNC5443197002/XX351
A01	FNH	1420-01-322-5557	RESTRAINT, WING ASSY	EA	00008	DBNC5443197003	N	DA2YCY		06		BU	\$312.26	
AE1	FNH	1420-01-322-5557	RESTRAINT, WING ASSY	EA	00008	DBNC5443197003		DA2YCY		06	4322	BU		
AE1	FLZ	1420-01-322-5557	RESTRAINT, WING ASSY	EA	00008	DBNC5443197003		DA2YCY		06	4335	BB		
AE1	FLZ	1420-01-322-5557	RESTRAINT, WING ASSY	EA	00006	DBNC5443197003	A	DA2TCY		06	4347	BA		
AS1	FLZ	1420-01-322-5557	RESTRAINT, WING ASSY	EA	00006	DBNC5443197003	B	DA2TCY	349	06	4349	BB		5180 (RP 70-73) BNC5443197003/AXX349
A01	FNH	5305-01-119-1052	SCREW, SELF LOCKING	EA	00200	DBNK5V50193001	R	DA2KCJ		13		BW	\$1.02	
AE1	FNH	5305-01-119-1052	SCREW, SELF LOCKING	EA	00200	DBNK5V50193001		DA2KCJ		13	5021	BV		
AE1	S91	5305-01-119-1052	SCREW, SELF LOCKING	EA	00200	DBNK5V50193001	R	DA2KCJ		13	5027	B7	\$3.95	
AE1	S91	5305-01-119-1052	SCREW, SELF LOCKING	EA	00200	DBNK5V50193001		DA2KCJ		13	5030	B7		
AE1	S91	5305-01-119-1052	SCREW, SELF LOCKING	EA	00100	DBNK5V50193001		DA2KCJ		13	5034	B4		
AE1	S91	5305-01-119-1052	SCREW, SELF LOCKING	EA	00100	DBNK5V50193001		DA2KCJ		13	5036	B4		
AE1	S91	5305-01-119-1052	SCREW, SELF LOCKING	EA	00100	DBNK5V50193001		DA2KCJ		13	5037	BA		
AS1	S91	5305-01-119-1052	SCREW, SELF LOCKING	EA	00100	DBNK5V50193001		DA2KCJ	039	13	5039			H039 (RP 77-80)

**EXTRACTED FROM
MILITARY ASSISTANCE PROGRAM ADDRESS DIRECTORY**

Section B - Foreign Military Sales Addresses

BN - BANDARIA

1. Country Representatives. When recipients of notices of availability fail to provide shipping instructions within established timeframes, thereby delaying release of FMS shipments, the country representative (Embassies, Consulate Attaches, Supply Missions, Purchasing Missions, Director of Movements, etc.) will be advised through the appropriate U.S. Service focal point, as identified by the U.S. Service Code contained in record position 30 of the requisition. The country representative addresses will not be used for consigning shipments or for distribution of documentation except when they are included in the address listing with a designated Type of Address Code (TAC). The following addresses identify the country representatives:

a. Army:	Military Attaché Embassy of Bandaria 1234 Massachusetts Avenue, N.W. Washington DC 29999
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b. Air Force:	Military Attaché Embassy of Bandaria 1234 Massachusetts Avenue, N.W. Washington DC 29999
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c. Navy:	Military Attaché Embassy of Bandaria 1234 Massachusetts Avenue, N.W. Washington DC 29999
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Note: The Military Assistance Address Directory (MAPAD) is no longer published as a printed document. Users must access the electronic version on the DLA Web Page. See Chapter 14 for further details.

2. Special Instruction Indicator (SII) S (Special Instructions involve use of clear text statement or multiple instructions) requires identification of applicable MAPACs and TACs with clear text special instructions as follows:

<u>MAPAC</u>	<u>TAC</u>	<u>SPECIAL INSTRUCTIONS</u>
DBN002	A, B	<p>a. Movement of arms, ammunition and explosives to be coordinated with the responsible ILCO or MSC to meet SAAM, AMC channel aircraft or other DoD arranged shipment.</p> <p>b. Ammunition and explosives ship to APOD: ZDC</p>
DBN002	1, 2	Shipments over 10,000 pounds will be processed as Option Code "Z" and the notice of availability forwarded to the MAPAC DBN002 TAC 3 address.
DBN002	3	<p>a. Air Force case notices of availability will be sent to:</p> <p>AFSAC FLO Bandaria 5490 Pearson Road Wright-Patterson AFB, OH 45433-5332</p> <p>b. Army case notices of availability will be sent to:</p> <p>Bandarian Supply Liaison Officer Army Security Assistance Command ATTN: AMSAC-BN 54 M Street, Suite 1 New Cumberland, PA 17070-5096</p> <p>c. Navy case notices of availability will be sent to:</p> <p>Security Assistance Foreign Representative, Bandaria International Programs Support Directorate Naval Inventory Control Point International Programs NAVICP-OF, Code 76BN 700 Robbins Avenue Philadelphia, PA 19111-5095</p>

MAPAC: BBN002		6/20
TAC: A AFI: SII: S WPOD: APOD: BNI FFLC: 0 CHG NO: 4180 EFF DATE: 1999290 DEL DATE:	Click here for Country Reps and/or Special Instructions for BBN002 <ul style="list-style-type: none"> • US DEFENSE ATTACHE OFFICE • HERAT INTERNATIONAL AIRPORT • HERAT BANDARIA • • 	
MAPAC: BBN002		7/20
TAC: 9 AFI: SII: WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: DEL DATE: 2002190	Click here for Country Reps and/or Special Instructions for BBN002 <ul style="list-style-type: none"> • DELETED • USE MAPAC DBN002 ADDRESS • • • 	
MAPAC: BBN003		8/20
TAC: 4 AFI: SII: WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: 2002301 DEL DATE:	Click here for Country Reps and/or Special Instructions for BBN003 <ul style="list-style-type: none"> • US DEFENSE ATTACHE OFFICE • AMERICAN EMBASSY HERAT • DEPARTMENT OF STATE • WASHINGTON DC 20501-2199 • 	
MAPAC: BBNB00		9/20
TAC: M AFI: SII: S WPOD: APOD: BNI FFLC: 0 CHG NO: 4180 EFF DATE: 2000301 DEL DATE:	Click here for Country Reps and/or Special Instructions for BBN002 <ul style="list-style-type: none"> • US DEFENSE ATTACHE OFFICE • AMERICAN EMBASSY HERAT • DEPARTMENT OF STATE • WASHINGTON DC 20501-2199 • 	
MAPAC: DBN002		1/25
TAC: A AFI: SII: S WPOD: APOD: BNI FFLC: 0 CHG NO: 4180 EFF DATE: 1999290 DEL DATE:	Click here for Country Reps and/or Special Instructions for DBN002 <ul style="list-style-type: none"> • BANDARIAN FREIGHT FORWARDING CORPORATION USA • WAREHOUSE DOCKS • BALTIMORE MD 21224-0319 • • 	

MAPAC: DBN002		4/25
TAC: 1 AFI: SII: S WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: 2003325 DEL DATE:	Click here for Country Reps and/or Special Instructions for DBN002 <ul style="list-style-type: none"> BANDARIAN FREIGHT FORWARDING CORPORATION USA WAREHOUSE DOCKS BALTIMORE MD 21224-0319 	
MAPAC: DBN002		7/25
TAC: 1 AFI: SII: S WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: DEL DATE: 2002275	Click here for Country Reps and/or Special Instructions for DBN002 <ul style="list-style-type: none"> GRAND ARMADA FREIGHT 5631NW 72ND AVE MIAMI FL 33166-4260 	
MAPAC: DBN002		9/25
TAC: 2 AFI: SII: S WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: 2002190 DEL DATE:	Click here for Country Reps and/or Special Instructions for DBN002 <ul style="list-style-type: none"> BANDARIAN FREIGHT FORWARDING CORPORATION USA WAREHOUSE DOCKS BALTIMORE MD 21224-0319 	
MAPAC: DBN002		12/25
TAC: 3 AFI: SII: S WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: DEL DATE: 1999210	Click here for Country Reps and/or Special Instructions for DBN002 <ul style="list-style-type: none"> 	
MAPAC: DBN002		13/25
TAC: 4 AFI: SII: WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: 2003290 DEL DATE:	Click here for Country Reps and/or Special Instructions for DBN002 <ul style="list-style-type: none"> MINISTER OF DEFENSE 20 JOHN F. KENNEDY BLVD HERAT BANDARIA 	

MAPAC: DBN002		14/25
TAC: 5 AFI: SII: WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: 2003290 DEL DATE:	Click here for Country Reps and/or Special Instructions for DBN002 <ul style="list-style-type: none"> • US DEFENSE ATTACHE OFFICE • AMERICAN EMBASSY HERAT • DEPARTMENT OF STATE • WASHINGTON DC 20501-2199 • 	
MAPAC: DBN002		15/25
TAC: 6 AFI: SII: WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: 2003290 DEL DATE:	Click here for Country Reps and/or Special Instructions for DBN002 <ul style="list-style-type: none"> • US DEFENSE ATTACHE OFFICE • AMERICAN EMBASSY HERAT • DEPARTMENT OF STATE • WASHINGTON DC 20501-2199 • 	
MAPAC: DBN002		16/25
TAC: 7 AFI: SII: WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: 2003290 DEL DATE:	Click here for Country Reps and/or Special Instructions for DBN002 <ul style="list-style-type: none"> • EMBASSY OF BANDARIA • AIR FORCE MILITARY ATTACHE • 1234 MASSACHUSETTS AVE NW • WASHINGTON DC 29999 • 	
MAPAC: DBNC00		18/25
TAC: M AFI: SII: WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: 2003290 DEL DATE:	Click here for Country Reps and/or Special Instructions for DBNL002 <ul style="list-style-type: none"> • COMMANDER BAF • TABOR AIR BASE • ELBA BANDARIA • • 	
MAPAC: DBNK00		19/25
TAC: M AFI: SII: WPOD: APOD: ZDC FFLC: 0 CHG NO: 4180 EFF DATE: 1998067 DEL DATE:	Click here for Country Reps and/or Special Instructions for BBNK00 <ul style="list-style-type: none"> • COMMANDER BAF • LOGISTICS SUPPORT GROUP • AVIATION SUPPLY • HERAT INTERNATIONAL AIRPORT BANDARIA • 	

MAPAC: DBNL00		20/25
TAC: M AFI: SII: WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: 2003290 DEL DATE:	Click here for Country Reps and/or Special Instructions for DBN002 <ul style="list-style-type: none"> • COMMANDER BAF • BANDARIAN ORDNANCE DEPOT (BOD) • BLINZ BANDARIA • • 	
MAPAC: PBN001		4/13
TAC: 1 AFI: SII: WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: 2003290 DEL DATE:	Click here for Country Reps and/or Special Instructions for PBN001 <ul style="list-style-type: none"> • NAVAL SURFACE WARFARE CENTER • BLDG 92 • 5403 SOUTHSIDE DRIVE • LOUISVILLE KY 40214 • 	
MAPAC: PBN001		5/13
TAC: 4 AFI: SII: WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: 2002290 DEL DATE:	Click here for Country Reps and/or Special Instructions for PBN001 <ul style="list-style-type: none"> • MINISTER OF DEFENSE • 20 JOHN F. KENNEDY BLVD • HERAT BANDARIA • • 	
MAPAC: PBN002		7/13
TAC: 9 AFI: SII: WPOD: APOD: FFLC: 0 CHG NO: 4180 EFF DATE: DEL DATE: 2002190	Click here for Country Reps and/or Special Instructions for PBN002 <ul style="list-style-type: none"> • DELETED • USE MAPAC DBN002 ADDRESS • • • 	
MAPAC: PBNH00		8/13
TAC: M AFI: SII: WPOD: PM8 APOD: FFLC: 0 CHG NO: 4180 EFF DATE: 2000218 DEL DATE:	Click here for Country Reps and/or Special Instructions for PBN002 <ul style="list-style-type: none"> • COMMANDER BNF • HERAT NAVAL BASE • HERAT BANDARIA • • 	

DEPARTMENT OF DEFENSE: DLAR 4140.55/AR 735-11.2/NAVSUPINST 4440.127E/AFR 400-54/MCO 4430.3E, Reporting of Item and Packaging Discrepancies, and/or DLAR 4140.60/AR 12-12/NAVSUPINST 4920.9B/AFR 67-7/MCO 4140.1B, Processing Discrepancy Reports Against Foreign Military Sales Shipments.

12. REMARKS (Continue on separate sheet of paper if necessary)

The 6 EA RESTRAINT, WING ASSY were damaged because the U.S. Depot did not pack the material IAW the Transportation Packing Order (TPO). The improper packing resulted in the damage to the assemblies. Attached is a photo and other required documentation.

13. FUNDING AND ACCOUNTING DATA

15. DISTRIBUTION ADDRESSEES FOR COPIES

16. FROM: Air Force Material Command ATTN: AFSAC/COSD 5490 Pearson Rd Wright-Patterson AFB OH 45433-5337	17. DISTRIBUTION ADDRESSEES FOR COPIES FLZ Warner Robins AFB GA	
18. TO: <div style="display: flex; justify-content: space-between;"> <div> Director of Logistics ATTN: Capt Juan C. Lagos Bandaria Depot Command BN-2001 Herat Bandaria </div> <div style="font-size: small;"> Use window envelope to mail this document. Insert name and address, including ZIP Code, starting one typing space below the left dot. Each address line must NOT extend beyond right dot. Address must not exceed four single space typing lines. </div> </div>		
19. IN ACCORDANCE WITH NOTICE OF DISCREPANCY ON FACE OF THIS FORM:		
a. MATERIAL Fold here <input type="checkbox"/> HAS BEEN <input type="checkbox"/> WILL BE SHIPPED	b. <input type="checkbox"/> NO RECORD OF SHIPMENT. RESUBMIT REPORT TO PROPER OFFICE UNDER APPROPRIATE REGULATION.	
c. <input checked="" type="checkbox"/> AN ADJUSTMENT IN BILLING HAS BEEN/WILL BE PROCESSED AS A: <input checked="" type="checkbox"/> CREDIT <input type="checkbox"/> DEBIT	d. <input type="checkbox"/> INVOICE/BILL ATTACHED e. <input type="checkbox"/> PROOF OF DELIVERY (Parcel Post Shipments) OR EVIDENCE OF SHIPMENT ENCLOSED.	
f. <input type="checkbox"/> AN ADJUSTMENT IN BILLING FOR THE REPORTED DISCREPANCY WILL NOT BE PROCESSED FOR THE FOLLOWING REASON WHICH IS CITED IN THE INDICATED REGULATION.		
(1) REASON FOR NOT PROCESSING (a) DISCREPANCY WAS NOT REPORTED WITHIN THE TIME FRAMES ALLOWED AND/OR (b) DOLLAR VALUE DOES NOT MEET THE CRITERIA PRESCRIBED IN THE REGULATION OR AGREEMENT INDICATED IN 19f(2)	(2) PRESCRIBING REGULATION (a) CHAPTER 5 OF THE GSA HANDBOOK, DISCREPANCIES OR DEFICIENCIES IN GSA OR DOD SHIPMENTS, MATERIAL, OR BILLINGS (FPMR 101-26.8) (b) CHAP. 2 AND/OR 7 OF DOD 4000.25-7-M, MILITARY STANDARD BILLING SYSTEM (MILSBILLS) AND/OR DD 1513, U.S. DOD OFFER AND ACCEPTANCE, AS APPLICABLE.	
20. THE FOLLOWING DISPOSITION IS TO BE MADE OF THE REFERENCED MATERIAL:		
a. <input type="checkbox"/> PROCESS FOR DISPOSAL IN ACCORDANCE WITH SERVICE/AGENCY DIRECTIVES	b. <input type="checkbox"/> REPRESENTATIVE WILL CALL FOR DISCUSSION CONCERNING DISPOSITION IN: DAYS	
c. <input type="checkbox"/> RETAIN MATERIAL AT NO CHARGE.	d. <input type="checkbox"/> MATERIAL WILL BE PICKED UP IN: DAYS	
e. <input checked="" type="checkbox"/> SHIP MATERIAL (Specify location): (1) <input type="checkbox"/> GBL APPROPRIATION CHARGEABLE: (2) <input checked="" type="checkbox"/> CHARGES COLLECT - VIA: <input checked="" type="checkbox"/> FREIGHT <input type="checkbox"/> EXPRESS <input type="checkbox"/> PARCEL POST (3) <input type="checkbox"/> PARCEL POST LABEL ATTACHED (4) <input type="checkbox"/> FREIGHT PREPAID		
(5) _____ postage advanced herewith. NOTE: Please enclose postage. Material cannot be returned Parcel Post collect.		
f. <input type="checkbox"/> OTHER (Specify)		
21. <input checked="" type="checkbox"/> IF MATERIAL IS STILL REQUIRED, SUBMIT NEW REQUISITION	22. <input type="checkbox"/> REPLACEMENT WITH SATISFACTORY MATERIAL WILL BE MADE ON OR BEFORE: DATE	
23. REMARKS (Continue on separate sheet of paper if necessary) 1. Credit is approved for 6 ea damaged Wing Assy (FMS Case BN-D-YCY, Line 007). ARC CB applies. 2. Coordinate with local DHL office for pickup and US Government sponsored shipment to FLZ on Bill of Lading (GBL) #2004-2005. Reference Doc Nr DBNC5443197003A-R. 3. Contact Case Manager for additional requisitioning instructions.		
24a. TYPED OR PRINTED NAME AND PHONE NUMBER OF PREPARING OFFICIAL Don McCormick (666) 555-2345	24b. SIGNATURE	24c. DATE March 15, 2005

STANDARD FORM 364 BACK (REV. 2-80)

FOREIGN MILITARY SALES BILLING STATEMENT				UNITED STATES OF AMERICA DEPARTMENT OF DEFENSE/AIR FORCE					
1. TO: BANDARIA AIR FORCE		2. THIS IS A BILLING STATEMENT BASED ON CASH REQUIREMENTS. PAYMENT IS DUE BY 05 DEC 15		3. STATEMENT NUMBER: 05-09DD		4. FOR PERIOD ENDED: 05 SEP 30		5. DATE PREPARED: 05 OCT 15	
CASE IDENTIFICATION AND DELIVERY STATUS				FINANCIAL STATUS					
6.	7.	8.	9.	10.	11.	12.	13.	14.	
CASE & ITEM NBR	TOTAL VALUE ORDERED	CUMULATIVE DELIVERY COSTS END PRIOR PERIOD	CURRENT PERIOD DELIVERY COSTS (ATTACHMENT 1)	CUMULATIVE DELIVERY COSTS & WORK IN PROCESS	FORECASTED REQUIREMENTS (NOTE A)	TOTAL FINANCIAL REQUIREMENTS	CUMULATIVE PAYMENTS RECEIVED	AMOUNT DUE AND PAYABLE	
YCY									
001	68,646,508.00	0.00	0.00	0.00					
	HUMDINGER MISSILES								
002	5,048,292.00	0.00	0.00	0.00					
	HUMDINGER AIR VEHICLE								
003	383,800.00	0.00	0.00	0.00					
	LAUNCHERS								
004	488,840.00	0.00	0.00	0.00					
	TRAINING MISSILES								
005	101,044.00	0.00	0.00	0.00					
	CNU CONTAINERS								
006	1,563,480.00	27,284.80	5,736.30	33,021.10					
	SUPPORT EQUIPMENT								
007	1,971,000.00	123,785.60	62,557.94	186,343.54					
	MISSILE SPARE PARTS								
008	12,372.00	1,215.30	947.37	2,162.67					
	PUBLICATIONS								
009	657,000.00	47,859.72	14,270.54	62,130.26					
	TECH ASSISTANCE								
010	631,250.00	0.00	0.00	0.00					
	RR MISSILES AND SPT								
011	1,350,000.00	184,090.91	61,363.64	245,454.55					
	PGRM MGMT								
012	181,800.00	70,000.00	10,000.00	80,000.00					
	TECH DATA PACKAGE								
013	50,000.00	48,612.18	0.00	48,612.18					
	SITE SURVEY								
014	180,000.00	0.00	0.00	0.00					
	QUALITY ASSURANCE								
999	310,000.00	0.00	0.00	0.00					
	TRAINING								
L6A	2,005,635.00	7,968.94	2,337.80	10,306.74					
	ADMINISTRATIVE FEE								
L00	1,425,212.00	5,256.60	2,789.95	8,046.55					
	ACCESSORIAL COSTS								
WIP	WORK IN PROCESS			980,403.41					
CASE				1,656,481.00	218,763.00	1,875,244.00	1,656,481.00	218,763.00	
TOTAL	85,006,233.00	516,074.05	160,003.54						

FORM 645 (NOV 87) PREVIOUS EDITIONS ARE OBSOLETE(Q)

DD FORM 645 (NOV 87) PREVIOUS EDITIONS ARE OBSOLETE(O)

PCN: UH028A150		FMS DELIVERY LISTING		PAGE: 2	
COUNTRY: BANDARIA		FOR PERIOD: 05 SEP 30			
SERVICE: AIR FORCE		DATE PREPARED: 05 OCT 15			
SUMMARY OF DELIVERY COSTS		STATEMENT NUMBER: 05-09DD			
		CASE: YCY ITM NBR: 007		U.S. DEPT/AGENCY: AIR FORCE	
				TOTAL COSTS	
FKA ARTICLES/SERVICE COSTS				64,431.50	
FKB ARTICLES/SERVICE COSTS				1,873.56	
NET TOTAL OF ARTICLES/SERVICES COSTS				62,557.94	
				CR	
		ACTUAL COSTS		COMPUTED COSTS	
FKC ADMINISTRATIVE COSTS		0.00		1,610.79	
FKD ADMINISTRATIVE COSTS		0.00		46.84	
NET TOTAL OF ADMINISTRATIVE COSTS		0.00		1,563.95	
				1,523.29	
				46.84	
				CR	
FKE ACCESSORAL COSTS					
L2B CONUS PORT HANDLING		0.00		1602.50	
NET TOTAL OF ACCESSORIAL COSTS				1,602.50	
TOTAL DELIVERY COSTS				65,724.39	



DEPARTMENT OF THE AIR FORCE

HEADQUARTERS AIR FORCE SECURITY ASSISTANCE CENTER (AFMC)

WRIGHT-PATTERSON AIR FORCE BASE, OHIO

MEMORANDUM FOR: GOVERNMENT OF BANDARIA

30 May 2005

C/O ODC BANDARIA

HERAT, BANDARIA

FROM: AFSAC/COMV

1822 Van Patton Drive

Wright Patterson AFB OH 45433-5337

SUBJECT: Notice of Supply/Services Completion (NSSC), FMS Case BN-D-YCY, Line Item 013

1. FMS case BN-D-YCY, Line 013 is supply/services complete as reflected in the Security Assistance Management Information System (SAMIS). Our objective is to start case closure as soon as possible, in accordance with DOD 5105-38-M, paragraph C6.8.4.
2. Please advise AFSAC/GBSX (Command Country Manager) within 90 days if you would like to amend or modify this case in support of case closure. If no response is received within 90 days, we will continue with the closure process. Thereafter to avoid any delays in the closure process, no further modifications or amendments will be processed against the subject case.
3. If applicable, please expedite the submission of Supply Discrepancy Reports (SDRs) to AFSAC/COSD, 5490 Pearson Road, Wright Patterson AFB, OH 45433. SDRs must be submitted within one year of shipment except when non-receipt of the entire shipment is involved. Under this condition, SDRs must be submitted within one year of shipment or billing, whichever is later. To expedite closure action, please advise AFSAC/SDFC in writing if no SDRs will be submitted against subject case.

JAMES DEAN

Y Case Process Owner

cc: AFSAC/SDFC

FINAL CERTIFICATE OF CASE CLOSURE

1. DATE: 30 May 2005
2. FMS CASE: BN-D-YCY, LINE 013
3. Final
(Accelerated Procedures) Final X
(Standard Procedures)
4. DIFS Delivered Value: 48,612.18
(Included CAS and LSC):
5. Air Force Disbursements 48,612.18
(Less CAS and LCS):
6. Additional information is provided concerning reconciliation of subject case:
 - a. The DIFS delivered value (less CAS and LSC) agrees with Air Force records and obligation authority released to the Air Force via DD Form 2060.
 - b. The contracts awarded in connection with the case are financially complete and the costs are included in the DIFS delivered value.
 - c. All requisitions, reimbursable work orders, and military interdepartmental purchase requirements (MIPR), and invitational travel orders that have been processed pursuant to this case are accounted for and the costs thereof are included in the DIFS delivered value. Reimbursements from DFAS-DE have been credited to the financing appropriation or Miscellaneous Receipt Account 3041, as applicable.
 - d. All estimated deliveries have been converted to actual deliveries.
 - e. All outstanding SDRs against this case have been processed.
 - f. DD-COMP(M) 1517 Delivery Performance Reporting and Case Disbursements have been reconciled with Air Force accounting records and are equal in value.
7. Point of contact is Lt Col CAUDILL, AFSAC/SDFC, DSN 225-9999, extension 1111.

TRANSPORTATION PLAN
FOREIGN MILITARY SALES
CASE BN-D-YCY, LINE ITEM 007

1. DESCRIPTION OF THE MATERIAL

In accordance with DoD 5105.38-M, *Security Assistance Management Manual (SAMM)*, DoD 5200.1-R, *Information Security Program Regulation*, DoD 5220.22-M, *National Industrial Security Program Operating Manual (NISPOM)* and AFMAN 16-101, *International Affairs and Security Assistance Management*, this plan provides procedures for the movement of classified (**Confidential and Secret only**) materiel identified on the United States Letter of Offer and Acceptance (LOA) for FMS case BN-D-YCY. Line Item 007 is for classified spare parts in support of the HUMDINGER MISSILE.

2. IDENTIFICATION OF FREIGHT FORWARDER FACILITIES, PARTICIPATING GOVERNMENT AND COMPANY REPRESENTATIVES

a. All shipments to, from, or between the United States and the Government of Bandaria against this FMS case will be received/processed by the following Defense Security Service (DSS) approved freight forwarding facilities:

Bandarian Freight Forwarding Corp USA (BFFC)
Warehouse Docks
2486 West 53rd Street
Baltimore MD 21224-0319

COMMERCIAL PHONE: (410) 324-5555
COMMERCIAL FAX: (410) 324-0001

Cage Code: F0SC87
Facility security clearance level: Secret- Hardware Only
Level of safeguarding: Secret

b. The following freight forwarder representatives at Bandarian Freight Forwarding Corp USA are DSS-cleared and authorized to arrange the transfer of, sign receipts, and assume security responsibility for the classified freight:

Ms. Camilla Johnson/Facility Security Officer (FSO)
Security clearance level: Secret

Mr. John Hernandez, Warehouse Worker
Security clearance level: Secret

c. DSS Industrial Security Field Office:

Defense Security Service Industrial Security Field Office
938 Elkridge Landing Road
Linthicum, MD 21090-2917
POC: Jane Doe
E-Mail: jane.doe@mail.dss.mil
PH: (410) 888-6666 FAX: (410) 555-9999

Command Country Manager:
AFSAC/GBEX
1822 Van Patton Drive
Wright Patterson AFB OH 45433
POC: Kelly Smith
E-mail: kellan.smith@wp-afb.af.mil
PH: (937) 555-5555, ext 8888 FAX: (937) 555-9999

d. Security Point of Contact

AFSAC/SDS
1822 Van Patton Drive
Wright Patterson AFB OH 45433
POC: Jim Jones
E-mail: james.jones3@wp-afb.af.mil
PH: (937) 555-5555, ext 9999 FAX: (937) 555-8888

3. DESCRIPTION OF SHIPPING METHODS FROM THE SOURCE OF SUPPLY TO THE FREIGHT FORWARDER

a. When the classified materiel has been properly packaged, labeled, marked, and made available for shipment from the source of supply, origin shipping personnel will prepare and dispatch a formal Notice of Availability (NOA). Per policy contained in DoD Manual 4000.25-8-M, *Military Assistance Program Address Directory (MAPAD)*, the NOA will be directed to the Bandarian country representative listed below:

BANDARIA EMBASSY
ASST. DIRECTOR SHIPPING, BPO
1234 MASSACHUSETTS AVE NW
WASHINGTON DC 29999-3899

COMMERCIAL PHONE: (210) 111-5555
COMMERCIAL FAX: (210) 111-5551

b. The Government of Bandaria representative will formally respond to the NOA. The response will identify the Bandarian Freight Forwarding Corp USA as the agent for

Bandaria to take delivery and safeguard the classified shipment. If any other shipping location is identified, approval by HQ AFMC/LGRD [PH: (937)555-6666, FAX: (937) 555-7777] is required prior to releasing the shipment.

c. Based on the formal response to the NOA, the origin shipping officials will obtain a carrier qualified by the Surface Deployment and Distribution Command (SDDC) to transport the classified materiel from the supply facility to the Bandarian Freight Forwarding Corp USA. All safeguards for transporting classified material will be followed including Constant Surveillance (CS) service or Protective Security (PS) service as necessary. CONFIDENTIAL material, as a minimum, must be transported by a commercial carrier qualified by SDDC to transport CONFIDENTIAL and provide CS service. If the shipment includes SECRET material, the carrier must be cleared by DSS and qualified by SDDC to provide PS service. Within CONUS, SECRET and CONFIDENTIAL material may also be transported to the designated freight forwarder by U.S. Postal Service registered or express mail, as appropriate. Signature security service will be initiated at the shipping point and continue until delivery to the ultimate consignee in Bandaria, thus providing a continuous chain of receipts. After selection of the approved shipping method and release of custody of the classified materiel via execution of the Signature and Tally Record (DD Form 1907 or equivalent), a Report of Shipment (REPSHIP) will immediately be dispatched by FAX to receiving personnel at Bandaria Freight Forwarding Corp USA and the in-country Mark-For address.

d. Bandaria Freight Forwarding Corp USA is required to advise the shipping office on any shipment not received within 48 hours after the estimated time of arrival specified in the REPSHIP. Upon receipt of such notice, the shipping office will immediately initiate tracer action. When the shipment is located, if it is suspected that the assets were subject to compromise (i.e., pack damaged, seals broken, etc.), the local security authorities will be notified (depot shipments). If the assets were shipped from a contractor's facility, the local DSS Industrial Security Field Office Representative will be contacted immediately.

e. Upon receipt of the classified assets at Bandaria Freight Forwarding Corp USA, the above named Facility Security Officer (FSO), or properly cleared representative, will receive the cargo. The FSO/Rep will receipt for the materiel, take custody of the materiel, and sign and retain copies of the Signature and Tally Record (DD Form 1907 or equivalent). The FSO/Rep will inspect all marks, numbers, seals, and serial numbers against the shipping documents. In the case of a sealed truck, the FSO/Rep shall verify that the seal has not been tampered with and that its' identification marks are the same as indicated on the bill of lading from the origin facility. The classified materiel will immediately be stored in an area or container approved by DSS for storing classified material with original documentation attached until transportation arrangements are made to transfer the shipment to the consignee in Bandaria. If for any reason, Bandaria Freight Forwarding Corp USA personnel suspect the shipment was compromised during shipment (i.e., packing damaged, seals broken, unauthorized carrier, etc.), they will immediately contact the security office identified in paragraph 2. The DSS Industrial

Security Field Office will also be contacted if the shipment was made by a commercial carrier.

f. The classified materiel, while in the custody of Bandaria Freight Forwarding Corp USA will not be opened, left unsecured, or handled by unauthorized or uncleared personnel.

4. MOVEMENT OF THE CLASSIFIED MATERIEL FROM THE FREIGHT FORWARDER TO THE CUSTOMER COUNTRY

a. Bandaria Freight Forwarding Corp USA will arrange for the movement of the classified materiel from their facility to the port of embarkation at Dulles International Airport. This movement will be with own organic resources with a properly cleared person providing escort for the classified material. If organic resources are not available, then Bandaria Freight Forwarding Corp USA will obtain a qualified SDDC carrier to perform this movement. All safeguards for transporting classified will be followed to include Constant Surveillance (CS) service or Protective Security (PS) service, as necessary. CONFIDENTIAL material, as a minimum, must be transported by a commercial carrier qualified by SDDC to transport CONFIDENTIAL and provide CS service. If the shipment includes SECRET material, the carrier must be cleared by DSS and qualified by SDDC to provide PS service. Bandaria Freight Forwarding Corp USA will ensure that all required documentation is logged with the U.S. Customs Port Director and the DSS Industrial Security Field Office representative will be notified by the freight forwarder prior to the outbound shipment of the classified materiel.

b. Security responsibilities transfer from Bandaria Freight Forwarding Corp USA to a designated representative when the Signature and Tally record is signed. Delivery will be made to the Bandarian International Airlines at Dulles International Airport. No other carriers are authorized for this movement. The individual signing for the carrier or escorting the classified materiel must have a U.S. clearance of the appropriate level or be a Bandarian national cleared to the level of classified involved in the specific shipment. Confidential material may also be transmitted in the custody of commanders of U.S. registry who are U.S. citizens, or commanders of Bandarian registry who are Bandarian nationals. The responsible commander will deny access to the materiel by unauthorized persons, including customs inspectors. Confidential materiel may not pass out of the responsible U.S. government or Bandarian Government control. The responsible individual must oversee the loading and unloading of the classified materiel at the shipping and receiving ports and ensure it is safeguarded in an appropriate manner until transferred by signature to the designated Bandarian government representative.

c. In addition to the above requirements, Bandarian Freight Forwarder Corp USA will be responsible for notifying the customer on the intended mode of shipment. This notification will include the carrier's name, estimated departure date and time, as well as the estimated time of arrival in country.

5. TRANSFER OF CUSTODY

Shipments will arrive by commercial airlines, Bandarian International Airlines into Pomodorra International Airport, Blizry Bandaria. Bandarian Air Force officials will meet the aircraft and sign for the custody of the classified material. Bandarian Air Force officials will maintain security of the material while being processed through Customs. Once processed, they will make secure transportation arrangements for the movement of classified material to the ultimate destination in-country.

6. RETURN OF CLASSIFIED MATERIEL FROM THE PURCHASER

a. Bandaria will use their own transportation and CONUS freight forwarder, Bandarian Freight Forwarding Corp USA, to return assets to the repair facility. Movement of the classified materiel from Bandaria to the CONUS port of debarkation will be by the freight forwarder's own transportation or by cleared commercial carriers. Prior to the flight (vessel) arriving in the U.S., the Bandarian Freight Forwarding Corp USA will be notified in advance by the Bandarian Air Force. This notice will include the aircraft (or vessel) number, date/time of departure and arrival, document number(s), case, value and level of classification. Bandarian Freight Forwarding Corp USA will hand over shipping documents for the inbound shipment to their customs broker to prepare applicable import documentation. A cleared freight forwarder representative will accompany the materiel at all times when it is not in an area approved by DSS for storing classified materiel.

b. Upon notification of arrival, a cleared representative of Bandarian Freight Forwarding Corp USA will pick up the materiel and return it to their warehouse where they will receipt for the classified materiel. Bandarian Freight Forwarding Corp USA will examine all shipping documents to determine if the materiel has been transferred to any unauthorized carrier during shipment. If so, they will immediately notify DSS. The classified materiel will be placed in the facility's DSS-approved secure storage area and paperwork prepared for onward movement.

c. Bandarian Freight Forwarding Corp USA will inform the repair facility by FAX of the nature of each classified shipment, the anticipated time, and date of arrival at least 24 hours in advance, (or immediately on dispatch if transit time is less than 24 hours) of the arrival of the shipment.

d. Bandarian Freight Forwarding Corp USA shall annotate the bills of lading as follows:

"Carrier to notify the consignor and consignee (telephone numbers) immediately if shipment is delayed because of an accident or incident. If neither can be reached, contact SDDC HOTLINE NUMBER 1-800-524-0331. Use the HOTLINE number to

obtain safe haven or refuge instructions in the event of a civil disorder, natural disaster, carrier strike, or other emergency.”

The carrier shall also be required to notify Bandarian Freight Forwarding Corp USA immediately by the fastest means if the shipment is unduly delayed enroute. Such annotations shall not disclose the classified nature of the materiel.

e. Bandarian Freight Forwarding Corp USA is responsible for arranging the onward movement of the classified materiel to the designated repair facility. Bandarian Freight Forwarding Corp USA will obtain a carrier qualified by SDDC to transport the classified materiel. All safeguards for transporting classified will be followed to include Constant Surveillance (CS) service or Protective Security (PS) service, as necessary. CONFIDENTIAL material, as a minimum, must be transported by a commercial carrier qualified by SDDC to transport CONFIDENTIAL and provide CS service. If the shipment includes SECRET material, the carrier must be cleared by DSS and qualified by SDDC to provide PS service. Bandarian Freight Forwarding Corp USA is responsible for obtaining a carrier representative’s signature on the Signature and Tally Record, thereby continuing the accountability and transfer of custody during the transportation cycle.

f. Bandarian Freight Forwarding Corp USA will instruct the repair facility to notify them if the assets are not received within 48 hours from the estimated time of arrival. Bandarian Freight Forwarding Corp USA will check with the carrier to trace the shipment and immediately notify the DSS Industrial Security Field Office of the delay and circumstances as known.

g. Upon arrival at the designated repair facility, a clear individual in the receiving section will receipt for the classified materiel. A copy of the Signature and Tally Record (DD Form 1907 or equivalent) will be faxed back to Bandaria Freight Forwarding Corp USA as proof of delivery to the repair facility. If it is suspected that the material was subject to compromise (i.e., packing damaged, seals broken, etc.), the local security authorities will be notified. If the repair facility is a cleared contractor facility, the receiving section will notify their facility security officer who will notify DSS. Receiving section personnel will examine all shipping documents to determine if the materiel had been transferred to any unauthorized carriers during shipment. They will specifically verify that the classified materiel was transported via an authorized qualified SDDC carrier. Receiving personnel at government depot repair facilities will report any use of an unauthorized carrier during any segment of the transportation cycle to local DoD security authorities. Receiving personnel at contractor facilities will report any use of an unauthorized carrier to the local DSS Industrial Security Field Office.

h. Upon completion of repairs, an NOA will be dispatched to the designated country representative and the shipping and handling procedures will be the same as those utilized for the description of shipping methods identified in paragraphs 3 and 4.

7. RECIPIENT GOVERNMENT RESPONSIBILITIES

Upon receipt of the classified materiel at the Pomodorra International Airport, Blizry Bandaria, Bandarian military officials will examine all shipping documents to determine if the materiel has been transferred to any unauthorized carrier during shipment. If so, they will immediately notify the security officer identified in paragraph 2e.

8. TRANSPORTATION PLAN CHANGES OR DEVIATIONS

It is the responsibility of the Government of Bandaria and their designated government representatives to ensure the accuracy of this transportation plan. Any proposed changes or deviations to this plan must be sent in writing to the Command Country Manager at AFSAC and HQ AFMC/LGRD for approval **prior** to implementation. This transportation plan is inclusive of all attachments.

REFERENCES

DoD 4000.25-8-M	<i>Military Assistance Program Address Directory (MAPAD)</i>
DoD 5105.38-M	<i>Security Assistance Management Manual (SAMM)</i>
DoD 5200.1-R	<i>Information Security Program</i>
AFI 31-401	<i>Managing the Information Security Program</i>
DoD 5220.22-M	<i>National Industrial Security Program Operating Manual (NISPOM)</i>
MIL-STD 129	<i>Standard Practice for Military Marking</i>
AFI 24-401	<i>Transportation (Cargo Movement)</i>
AFJM 24-204	<i>Preparing Hazardous Materials for Military Air Shipment</i>
DoD 4500.9-R	<i>Defense Transportation Regulation, Part II, Cargo Movement</i>
AFMAN 16-101	<i>International Affairs and Security Assistance Management</i>
DoD 5100.76-M	<i>Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives</i>

